

HOME NEWS

Government call to end wage inflation or lose jobs for ever

By Our Political Staff

There is no real argument over what we as a nation, have to do," Mr Harold Wilson writes in his preface to the Government's pamphlet on its counter-inflation policy, published today. "We all know that we must beat inflation before it beats us."

About 21,500,000 copies of the 16-page pamphlet, *Attack on Inflation: A Policy for Survival*, will be delivered to households in the week beginning September 1. There will be an edition in Welsh, available through libraries and local authority offices, and in five Asian languages for special distribution.

The pamphlet makes clear the choice that faced the Government. It states:

"The Government rejected the policy of tackling inflation by making massive immediate cuts in government expenditure on housing, the social services, and aid to industry. This would have created mass unemployment. That line was rejected because it could have been socially evil, and because it would have set back our chances of economic recovery through industrial growth. There was only one alternative: to tackle inflation by reducing our rate of increase in wages and salaries."

Although Mr Len Murray, general secretary of the TUC, has said that the TUC regards the 56 a week as an entitlement and not as a maximum, the pamphlet emphasises that it is the upper limit. Some employers may not be able to pay it.

"Inflation, if not brought under control, means industrial collapse and national bankruptcy. At home, it means firms closing down because soaring costs would make it impossible for them to survive. It means jobs lost on a terrifying scale. Lost not only for a few months, but for ever."

"Abroad, it means our creditors turning off the taps. It means loss of confidence in the pound, and in Britain's ability to recover. It means the destruction of our ability to buy from abroad the materials and goods we need to keep industry going. So more factories and offices would close down. Many more jobs would be lost, lost for ever."

Unemployment, it continues, is already very serious and growing. The attack on inflation is the essential way to check the rise in unemployment and to avert the threat of millions being out of work, and young people unable to start their working lives. The policy is voluntary and depends on public consent.

There are no provisions for prosecuting trade unionists who break the limit of wage increases. Any employer who broke the limit would not be allowed to pass the cost on by raising prices. If there are determined attempts to get round the policy, the Government will be prepared to use further powers. The Government hopes that this will not be necessary. A democracy works best when it relies on persuasion and consent."

Some telephone call fees to be held pending talks

By Our Business News Staff

The Post Office has agreed not to raise charges for local calls made through the operator on STD exchanges, pending discussions with the Post Office Users' National Council.

Lord Peck, chairman of the council, welcomed the decision yesterday. In his report on the council's decision, he said that those particular increases would provoke public bitterness.

The Post Office proposals would have raised operator-connected local calls from a coinbox to 14p for the first three minutes and from an ordinary telephone to 13p.

At present local calls from STD exchanges connected by the operator are 4p for three minutes from a coinbox, and two charge units (equivalent to 3.5p) for various periods from ordinary lines on October 1, and until the Post Office has

completed its review, charges will be held at 4p for three minutes and 6p (the new rate for two charge units).

An intolerable situation would have been created if the corporation had gone ahead, the users' council said. There had been continuous public complaints in the last year, and in April, that rise to 4p for three minutes, meant that anyone who inserted 2p in a coinbox for a dialled local call and then failed to get through was asked to put in a further 2p before connection.

Protest: Mr Thomas King, Opposition spokesman on the Post Office, says in a letter to Mr Varley, Secretary of State for Industry that the announcement late on Friday before the Bank holiday and in the middle of the parliamentary recess showed the Government's wish to curtail the Post Office's approval of the new charges.

Mr Lee described how he linked up with the two after the explosion. The place was filled with thick dust and they joined up by shouting. "They were rather shaken, sweaty, wet through, eating dust and rather panicky," he said. "I told them to calm down, give it a minute and think it over."

"I ordered them out of the pit my way, the way I had come. I said three out of nine were at stake and I was confident that the rescue teams were capable of going in there even without the plans. Mr Scargill suggests that I ought to have kept rescue men back until I had correct plans. Had I waited until I obtained correct plans I would have felt remiss in my duties for doing so."

Asked why plans were not available immediately, Mr Wright said that there was a misunderstanding about the exact location of the explosion. He assumed that it was in the Newall seam, but they could not find plans of that. It was later discovered that the blast was in another seam.

Earlier a pit deputy who led two miners to safety was praised. Mr Ian Lee, aged 42, of Temper Avenue, Darfield, near Barnsley, said that he led the men towards the centre of the mine. They wanted to go the other way, towards the main shaft, but he ordered otherwise.

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Sao Tome call for EEC trade aid

From Our Own Correspondent

Brussels, Aug 26

Sao Tome, the former Portuguese colony off the west coast of Africa, has become the first newly independent state to apply to join the Lome convention, the trade, aid and co-operation agreement which links the EEC with 46 developing countries in Africa, the Caribbean and the Pacific.

The move by Mr Miguel Trovada, Prime Minister of Sao Tome, was made in a note to the European Commission in Brussels and has been welcomed by Mr Claude Cheyres, the Commissioner in charge of the Community's development aid policy.

The Lome convention, signed in the capital of Togo in February, offers developing nations almost free trade in industrial and agricultural products, as well as financial aid through grants, loans and a scheme designed to guarantee export earnings in lean years.

Commonwealth skills register

Georgetown, Aug 25—Mr

Anthony Tasker, the managing director of the Commonwealth Fund for Technical Cooperation, has told reporters that a meeting of the board of representatives has been called to discuss a greater use of the skills available in the developing countries of the Commonwealth.

In matters of education and training, which is part of the fund's programme, the Commonwealth had until now totally neglected the skills as well as the facilities in the developing countries, he said.

The fund would take up a proposal by Trinidad and Tobago that a register should be compiled of skilled persons who had left the Caribbean for developed countries.

British potholers claim record

Pau, Aug 26—Two British

potholers have claimed a new world record by descending to a depth of 4,365ft near Pau in south-western France, officials said.

The two men, both from the Bristol Exploration Club, signalled to the surface that they reached this depth yesterday. The previous record was set at the same place by a French team from Tarbes on August 10, who descended to 4,166ft.

—Reuter.

One establishment in five found to be of a low standard or unsatisfactory

Important role of private homes for elderly

By Diana Geddes

One private nursing home in

four for the elderly and nearly one private old people's home in six are of a low standard, and some are so unsatisfactory as to be unsuitable for use.

That is shown in a survey, published yesterday, of more than 250 establishments for the elderly in London and Bristol. It was carried out over a period of 12 months by qualified nursing staff of the Elderly Invalids Fund for the Department of Health and Social Security.

Despite the number of low-standard establishments, the fund believes its report will reassure those worried about letting aged parents or relatives go into private nursing or old people's homes. Most homes

were found to be good and to play an important part in the care of the elderly.

Of the 83 nursing homes for elderly chronically sick patients visited by the EIF, three-quarters were considered good. They provided good nursing care, sometimes under difficulties, and showed patience, kindness and consideration for their patients. The homes were found to be comfortably furnished, with a good general appearance outside and inside. Most had pleasant, well kept gardens.

But the standard at a fifth of them was considerably below that of the others, the fund says. "While the actual nursing may be satisfactory, the staff seem to lack peace and understanding, and even interest. As this applies to the

matrons as well as the staff, there seems little likelihood of any improvement. The buildings are gloomy and in need of redecoration."

Four other homes were described as unsatisfactory, being oppressive and dark, in need of redecoration and without adequate care. "Under no circumstances should they be suggested to any inquirer," the fund says.

Of the 184 private registered old people's homes visited by the fund, 156 were found to be giving the care their residents need, and five of them provided what could be considered luxury.

Twenty-three homes were found to be of a considerably lower standard, and five others were described as unsatisfac-

tory, appearing dirty, unfriendly and cold.

Fees seemed to give little indication of the standard of the homes. For nursing homes they ranged from £35 a week for a shared room to £150 a week for a single, and for old people's homes from £20 to £100 a week.

In England there are about 1,060 registered nursing homes for the elderly, providing nearly 25,000 beds, and 1,800 private registered old people's homes, with about 24,000 places.

The fund says it believes that the position in London and Bristol disclosed in the survey is representative of the country as a whole.

Nursing Homes for Elderly People and Old Persons' Homes (London: Elderly Invalids Fund, 25p).



Scrutineers from the National Union of Mineworkers watching as the NUM ballot on pay policy is counted at the Electoral Reform Society.

Timman beats Adorjan in chess game

By Harry Golombek, Chess Correspondent

The centrepiece of round nine in the London International chess tournament at the West Central Hotel yesterday was a game which Timman won in grandmaster style against the leader, Adorjan. He sacrificed a rook for a bishop to obtain an impressive pawn chain, and finished the game with a combination that was as neat as it was effective.

As Miles appeared to be winning easily against Sax, it looked as if the junior world champion would lead when play in round nine finished. But he did not find the best line during a complicated middle game, and when it was adjourned Sax was not without real counterchances. The scores are:

Adorjan and Timman 5½, Miles 5 and adjourned; Sax 4½, and one adjourned; Nimz 4, Webb 4, Horne 3½, and adjourned; Benan and Pichard 3½, Spangenberg 2½, and one adjourned.

Results: round nine: Timman 5, Adorjan 4½, Miles 4, Sax 3½, Nimz 3, Benan and Pichard 2½, Spangenberg 2, and one adjourned.

Round 10: Timman 5, Adorjan 4½, Miles 4, Sax 3½, Nimz 3, Benan and Pichard 2½, Spangenberg 2, and one adjourned.

Round 11: Timman 5, Adorjan 4½, Miles 4, Sax 3½, Nimz 3, Benan and Pichard 2½, Spangenberg 2, and one adjourned.

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Homeless men who break law hard to help

By Harry Golombek, Chess Correspondent

Homeless men who break the law are almost impossible to help, according to a Home Office survey published today. The survey, *Homeless offenders in Liverpool*, says such men create an intractable difficulty for probation officers.

Fewer than a third of a sample of 153 offenders were recommended for probation. The survey found it difficult to make realistic recommendations because homelessness is an obstacle to supervision in the community.

A follow-up 12 months after the court appearance suggested that where homelessness had been a serious difficulty it often remained unresolved. Thirty of the 50 men put on probation remained homeless during the 12-month period.

Nearly half of a sample of 119 homeless former prisoners studied were assessed as hopeless cases, and contact was lost with three-quarters within a month of their release.

The court was told that when he was stopped by a woman store detective he hit her in the face with a bag, knocking her over, but was restrained by an American tourist.

The case will be considered by the parole board once the appeal has been heard and it will make a recommendation to the Home Secretary on how it should affect his parole. Mr Edwards' earliest possible date of release, with allowance for good behaviour remission would have been in November, 1976, if it had not been for parole.

Mr James Bullen, for the prosecution, said that on July 10 Mr Edwards was seen to place the shirts in a Harrod's bag and made no attempt to pay for them.

He said: "Yes, I know," to the store detective when she stopped him, and then hit her in the face. Later he said: "I am sorry if I hurt her. I did not mean to. I was just trying to get away."

The court was told that in November, 1966, Mr Edwards had been found guilty of conspiracy to rob a mail train and of robbery with others, for which he received concurrent sentences of 12 years and 15 years.

Mr Anthony Tibber, for the defence, asked for the case to be considered as an isolated slip by a man who was trying hard to rehabilitate himself after a long term in prison.

Mr de Valera weak

Mr de Valera, aged 92, former President of the Irish Republic, was last night still weak, very comfortable and very happy, in the nursing home near Dublin where he is recovering from a cold.

River search for sailor

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Holidays to cost more despite record profits

By John Carter

Package holidays abroad will cost more in 1976 in spite of record profits by all the tour operating companies this year. Thomson Holidays is to put up its prices by about 18 per cent, says Mr Roger Davies, the company's marketing director, announced yesterday.

Mr Davies said the increase would be in real terms, unlike this summer, when the rising cost of living totally absorbed the increase.

The 1975 profits might tempt some tour companies to increase their offerings next year, "but I am hopeful that the events of last year will have had a powerful enough impact to get into the thickest of tour operators' minds."

Mr Davies said, referring to the Court Line collapse.

This year had been a bad one for the industry because of overbooking but he predicted: "If the Government's 56 limit works then we cannot expect many new entrants into the market. But sterling will

strengthen and package holidays will be a good buy. The Government and the travel industry have introduced many safeguards to protect holidaymakers' money but there are still too many loopholes."

The company's programme for next summer anticipates a 5 per cent growth in the number of holidaymakers. One of the trends observed by retail travel agents, Mr Davies said, was that people were paying for holidays from their savings.

"I have had reports from travel agents that people have been paying with building society cheques," Thomson's Cyprus branch has dropped the number of holidays to Portugal. A company official confirmed that the programme of winter holidays to Portugal has been cut also.

Mr Francis Higgins, Thomson's managing director, told yesterday that if Portugal did badly it might not be featured in the company's next winter holiday programme.

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Parents to save girls' school

An eleven-hour

parents' protest prevented girls' grammar school from being closed in the High Court.

Mr Justice Oliver granted the parents' order stopping the Trent Girls' High School from being closed into a complex.

The parents' case, Staffordshire County Council v. The Trent Girls' High School, which started in 1973, had failed to get a notice of the school's closure.

The judge said that the school was a valuable asset to the community and that its closure would be a loss to the area.

In any case there were long and serious arguments about the school's future, and the judge said that the school should be kept open.

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HOME NEWS

Parent to save girls' school

Government may study effect of subsidy help child's play

Really, Services Correspondent Government is considering a system to monitor the effect of a subsidy, introduced in 1973, to help councils provide play facilities on housing estates. The comes after an admission by the Department of the Environment that it has no way of knowing how the subsidy is being used.

The subsidy, which is worth £100 a year, is given to councils to help them provide play facilities on housing estates. It was introduced in 1973, after public pressure on the Government to provide play facilities on housing estates. Public concern was chiefly because of the fact that children playing on roads and pavements were a danger to themselves and to the public.

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Baby death inquiry 'will not pull punches'

From Our Correspondent King's Lynn

The inquiry into the death of Steven Meurs, aged 16 months, would try to find out what went wrong and advise how such happenings could be avoided in the future, Mr. Geoffrey Godber, the chairman, said yesterday. The child died in April weighing under 10lb in spite of many visits to his home by social workers.

Mr. Sandra Meurs, aged 21, his mother, of Stag Place, King's Lynn, Norfolk, who starved him, was called for three years for manslaughter.

Among the 20 witnesses at the inquiry will be King's Lynn people who said they warned the social services that the child was dying.

Mr. Justice Willis, at the trial of Mrs. Meurs, criticized social workers who visited the child's home. He said he was very distressed at the apparent inability of social workers to save the child.

The inquiry, set up by Norfolk County Council and Norfolk Area Health Authority, is in private.

Before the opening in King's Lynn, Mr. Godber, former Chief Executive of West Sussex County Council, said he could understand the public's anxiety about an inquiry.

There were people whose indignation was such that they would hope that the inquiry would be some kind of an attempt to seek out individuals, apportion blame to them and punish them.

"But the most important part is not that at all. It is to try to find out what went wrong and to advise the authorities who have appointed us how they can best avoid such things happening in future. We shall pull no punches."

Answering allegations from Mr. Arthur West, a county councillor, that he expected the inquiry result to be a load of "I don't know," Mr. Godber said: "I hope we shall prove that is not so."

The inquiry consists of four members. The report is not expected until early in November.

Men behind the Portuguese struggle for power

From Michael Knipe Lisbon, Aug. 26

The men struggling for power at the centre of the Portuguese Armed Forces Movement (MFA) are an unlikely group to find in the cockpit of a socialist revolution.

Unlike Dr. Alvaro Cunhal, the Communist leader, and Dr. Mario Soares, the Socialist Party leader, none of them served terms in prison or went into exile for their opposition to the right-wing dictatorship of Dr. Salazar and Dr. Caetano.

Virtually all of them won medals for their part in fighting Portugal's colonial wars for a government convinced that communism was its deadliest enemy.

Whatever their past convictions, they are the men who contrived Portugal's liberation from its dictatorship and most Portuguese today will credit them with having the best of intentions regarding the political direction the revolution should take. In the past 15 months, however, considerable differences have arisen between the various military factions over what that direction should be.

One group favours an orthodox communist course, a second group favours a slow and free process to pure Marxist socialism. A third group favours a more popularist socialism inspired by the example of Cuba and providing some form of popular control.

The President of Portugal, General Francisco Costa Gomes, seems to have a limitless determination to stand aside from the factions, in order to avoid open conflict, which he believes would lead to civil war. Aged 61, he is a cavalry officer who rose through the ranks to become a general by November 1968. From 1965 to 1969 he was second in command, then commander in chief of the Armed Forces Movement.

He owes his MFA prestige to having been implicated in the abortive 1961 anti-Salazar coup, when he was removed from his post as Under-Secretary of State for the Army. In March last year he refused to take the public oath of allegiance to the then President, Admiral Tomas, and was removed from office as Chief of Staff of the armed forces.

Detractors for many years have accused General Costa Gomes of constant changes in his political allegiances and friendships and his actions in the past 16 months have appeared to bear out the accusations. Although in public speeches he has called for socialism, he has taken no firm stand publicly for a break on the authoritarian advances from the left.

Detractors call him "The Cork," having survived his close associations with Dr. Salazar and now the leadership crisis.

A man with a quite and unassuming manner who wears tinted glasses, he is known to be exceptionally happily married and one of the few military leaders who is constantly accompanied publicly by his wife. They are often seen at local cinemas.

Gen. Goncalves

The controversial Prime Minister, General Vasco Goncalves, aged 54, was born into a comfortable upper middle class home and specialized in Army engineering at the Military Academy. He served in the Portuguese colonial wars, first in Mozambique from 1965-67, then in Angola from 1970-72 and in 1973 received one of Portugal's highest military awards, the Silver Medal for Distinguished Service.

Since becoming Prime Minister, he has been increasingly identified politically with the Communist Party, which, at

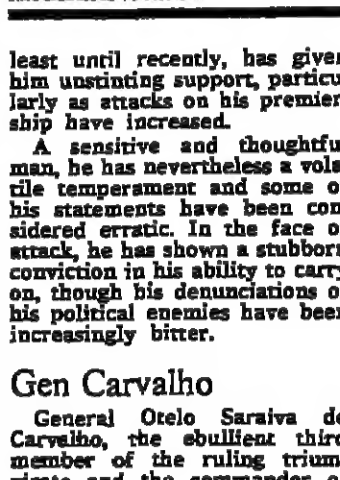
The group who overthrew the dictatorship are now split into several factions over the direction their revolution should take



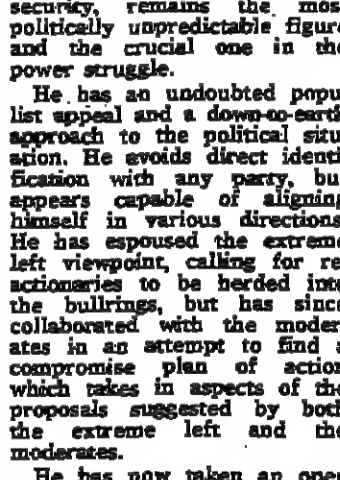
Gen. Goncalves: Controversial Premier.



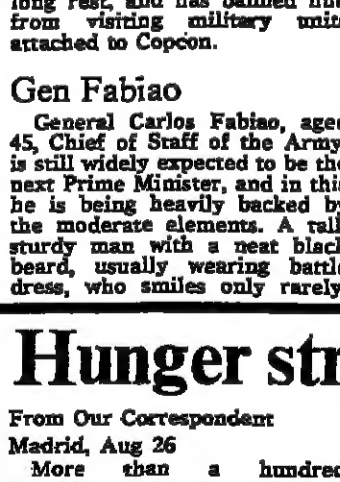
Gen. Costa Gomes: Astride the factions.



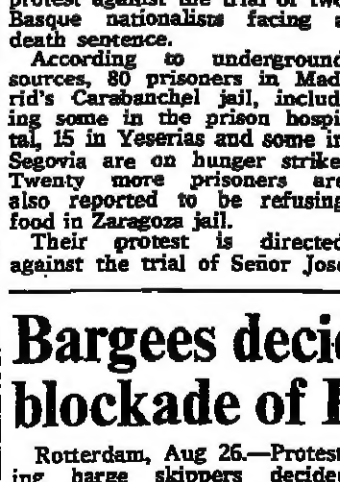
Major Melo Antunes: Moderates' leader.



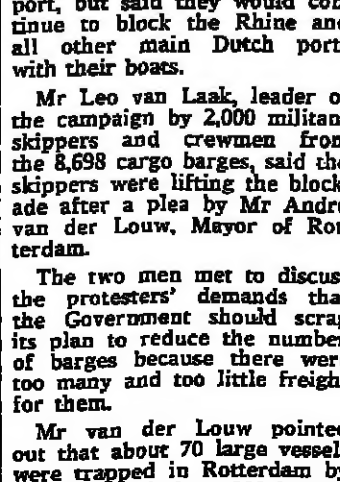
Gen. Carvalho: Moderates' leader.



Gen. Fabiao: Moderates' leader.



Brig. Corvacho: Associate of Premier.



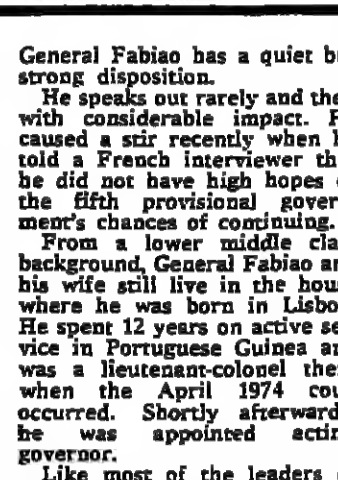
Gen. Carvalho: Crucial, unpredictable figure.



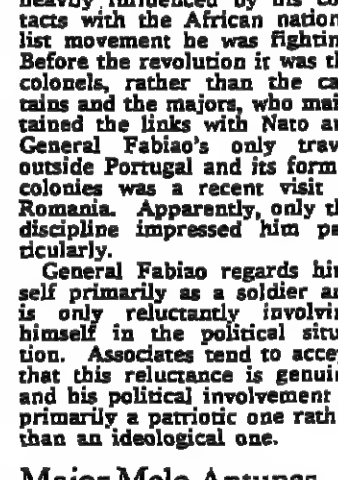
Gen. Fabiao: Backed by moderates.



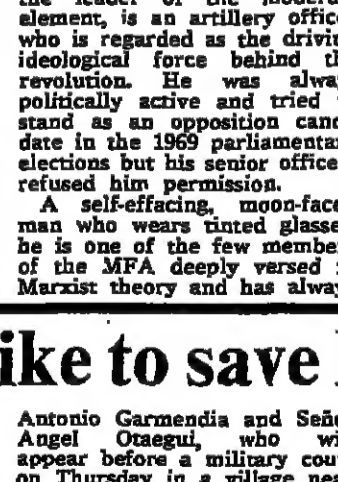
Brig. Corvacho: Associate of Premier.



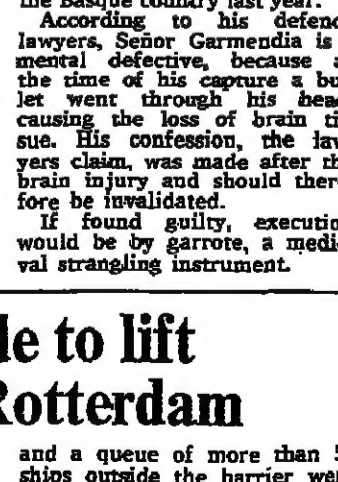
Gen. Carvalho: Crucial, unpredictable figure.



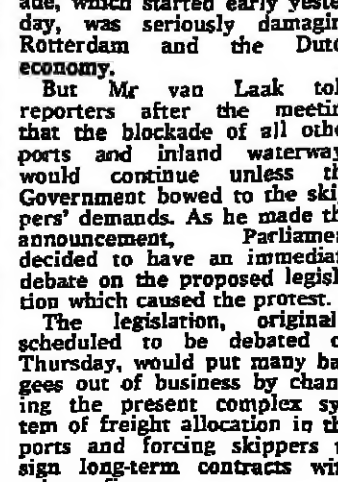
Gen. Fabiao: Moderates' leader.



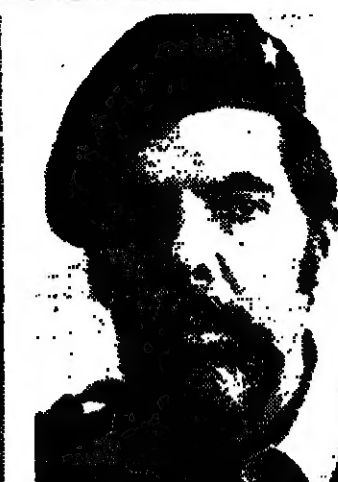
Brig. Corvacho: Associate of Premier.



Gen. Carvalho: Crucial, unpredictable figure.



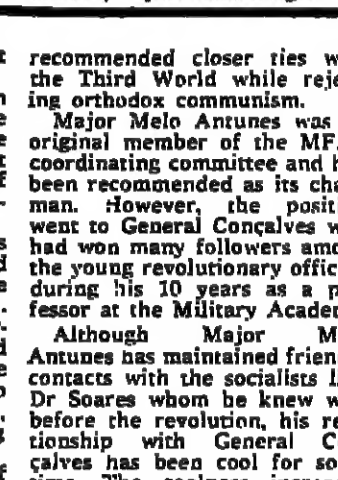
Gen. Fabiao: Moderates' leader.



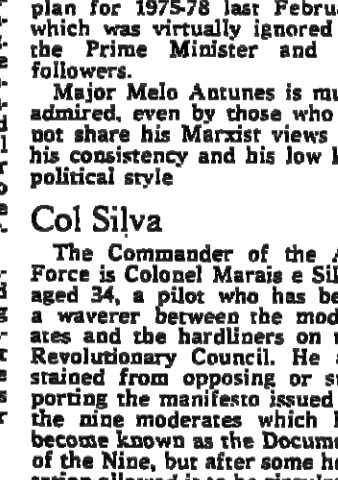
Gen. Fabiao: Backed by moderates.



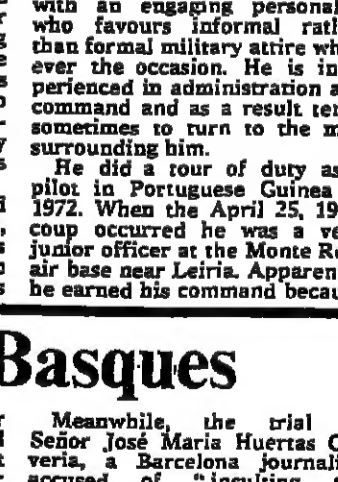
Brig. Corvacho: Associate of Premier.



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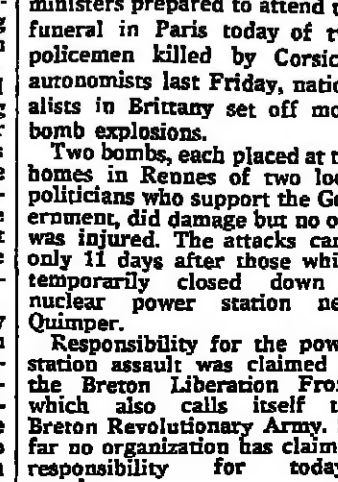
Gen. Fabiao: Moderates' leader.



Brig. Corvacho: Associate of Premier.



Gen. Carvalho: Crucial, unpredictable figure.



Gen. Fabiao: Moderates' leader.

of his support for the Air Force sergeants when they refused to refuel aircraft which were threatening to attack an artillery base during the abortive coup on March 11, 1975, after which he was promoted to colonel.

The Air Force is believed to be predominantly moderate in its outlook, particularly the parachute regiment. It plays a significant role in the military balance of power because of its helicopters. However, various units often tend to be a power to themselves.

Apparently when General Carvalho, the military security chief, and General Fabiao flew surreptitiously to the Coimbra region to meet the military assembly representing the MFA in the central region they found themselves for a time without anywhere to land because someone had closed the air base to them.

Admiral Azevedo

The Commander of the Navy, Admiral Jose Pinheiro de Azevedo, aged 58, is also Vice-President. He abstained from supporting or opposing the Document of the Nine in the Revolutionary Council and also refused to have it circulated among naval units.

He is regarded as a left-wing radical without party attachment and of being capable of adjusting his views where necessary. Born in Angola, he served as Assistant Naval Attaché in London from 1958 to 1967 but is not regarded as being particularly pro-British as a consequence.

From 1972 to 1974 he was Commander of the Marines. Immediately after the coup he was promoted to the rank of admiral and was a member of the first post-coup junta of national salvation.

The Navy's commands are predominantly left-wing, primarily because its officer recruits came from the universities and had perhaps more opportunity to indulge political thoughts than men in the Army which was more involved in fighting the colonial wars. The Navy rejected the Document of the Nine.

Brig. Corvacho

The Commander of the Northern Military Region, Brigadier Eurico deus Corvacho, aged 38, is being reinstated to his command after being removed a week ago. A brisk, clear-thinking officer, he is a close associate of the Prime Minister and is believed to share the prime minister's sympathies. He opposed the Document of the Nine and as a result the officers and men who overwhelmingly favoured it went over his head to deliver their petition in support of the document to Lisbon by special courier.

Brigadier Corvacho, an artillery officer, was made captain at the age of 27 and was already serving in the Oporto military region. He is believed to have the same support of his command staff but not of the military region as a whole. Communist-dominated organizations in Oporto campaigned for his reinstatement and have threatened to launch a motorized march on Lisbon to press their demands.

Brig. Charais

The Commander of the Central Military Region, Brigadier Charais, aged 44, voted in favour of the Document of the Nine. He is reputed to be opposed to Portugal's involvement with either NATO or the Warsaw Pact.

Brig. Correia

The Commander of the Southern Military Region, Brigadier Pedro Pizarro Correia, aged 42, is an infantry officer who initially backed the document of the Nine, but is now believed to be wavering in his support of it and possibly moving closer to support of the Prime Minister.

Child custody case mother beats jail deadline

Our Correspondent Birmingham

A mother who was given five years by a judge to obey a custody order, escaped jail in a custody case when she failed to appear at court on time.

Edith Bexon, aged 33, of 10, Edith Avenue, Toton, Nottingham, had set through the court at Nottingham County Court, claiming her son, Colin, aged 10, was being kept by her husband, who was a violent man.

When Mrs. Bexon refused to comply, even after the first adjournment, she said he would adjourn again for five minutes. After that he would adjourn again for five minutes. After that he would adjourn again for five minutes. After that he would adjourn again for five minutes.

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P calls for higher nishments

plan to cut crime, to a corporal punishment for vandalism, was out yesterday by Mr. Edward Conservative MP for W. Cathcart.

a aim must be to have a law which states that if a child is found to be a delinquent, he should be sent to a police college at Kington-Forth, Clackmannanshire.

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Truancy report says pupils should choose teachers

A report on school truancy suggested yesterday that pupils should be given greater freedom in choosing their own teachers.

In its report the Scottish Council of the Labour Party asked for schools to adopt a more flexible attitude. It said some truant children chose specific teachers to stay away, in order to avoid subjects and teachers they disliked.

Mr. Alfred Young, a member of the working party that prepared the report, said at a Glasgow press conference yesterday: "We are simply saying we should look at the problem of kids who don't like particular subjects or teachers and find a way to deal with it. I have met kids who don't like a subject so much that it stops them from going to school altogether."

In their report the members of the working party said the present defensive reactions to schools councils would be partly dispelled by, for example, their becoming an agency whereby more meaningful school-community communication is possible.

"Society should not expect of young people standards which are not expected of adults. Adults have likes and dislikes, and there is nothing inherently threatening in some pupils needing, and being allowed, greater choice in subject or teacher."

The report, submitted to the Pack committee on truancy and

Police campaign on breath tests

Cheshire police are launching a campaign against drivers who ignore the breath-test laws.

During September every motorist involved in an accident, committing a moving traffic offence or suspected of having been drinking will have his breath tested if the incident occurred between noon and 4 pm or 9 pm and 4 am. Breath-test figures will be compared with accident figures at the end of the month.

Top band ineligible

Britain's top brass band, Black Dyke Mills, from Yorkshire, is not eligible for this year's British open championship contest because it completed a hat-trick of wins last season.

Tory appeal over Portugal

From Our Correspondent Madrid, Aug. 26

An attack on the British Government, accusing it of lack of responsibility over the situation in Portugal, was made yesterday by Mr. Eilon Griffiths, Conservative spokesman for foreign affairs.

In a speech to his party executive at Bury St. Edmunds, Mr. Griffiths said: "I cannot help reflecting that a right-wing takeover in Chile invoked massive emotional resistance among Labour MPs and ministers."

"Surely we owe it to our oldest ally to show no less distaste for a left-wing takeover on our own doorstep in Europe."

Mr. Griffiths said that a meeting of the EEC Council of Ministers should be convened "to reiterate the Community's strong distaste for any communist or military dictatorship being set up in Portugal, and at the same time our collective support for a truly democratic Portugal being made welcome as a full member of the EEC."

He wished to place on record the admiration which he and millions of other British people felt for the "heroic resistance of the democratic people of Portugal for any communist or military takeover of their country."

"It is to their everlasting credit that large numbers of Portuguese are hourly demonstrating that they rate their nation's freedom higher than their personal safety."

He went on: "Against this background, it is surprising and disappointing the complete lack of response from Her Majesty's ministers."

Conker contest bars women

Women are to be excluded from the draw for the 64 places in the eleven annual world conker championships to be held at Ashton, near Oundle, Northamptonshire, in October. Hitherto only men have taken part.

Mr. Frank Elsom, chairman of the organizers, said: "The event would be ridiculed if it was open to women. In any case I have yet to see any woman with the skill to compete."

M4 thieves take £4,000

Thieves who attacked and tied up the manager of the M4 service station at Membury, Wiltshire, early yesterday took his keys and some £4,000 from the office safe. He was not hurt and later freed himself.

Hunger strike to save Basques

From Our Correspondent Madrid, Aug. 26

More than a hundred Spanish political prisoners have gone on hunger strike in protest against the trial of two Basque nationalists facing a death sentence.

According to underground sources, 80 prisoners in Madrid's Carabanchel jail, including some in the prison hospital, 15 in Yesseras and some in Segovia are on hunger strike. Twenty more prisoners are also reported to be refusing food in Zaragoza jail.

Their protest is directed against the trial of Senor Jose Antonio Garmentia and Senor Angel Otegui, who will appear before a military court on Thursday in a village near Burgos. They are accused of plotting to capture a Basque leader and a politician in the Basque country last year.

According to his defence lawyers, Senor Garmentia is a mental defective, because at the time of his capture a bullet went through his head causing the loss of brain tissue. His confession, the lawyers claim, was made after the brain injury and should therefore be invalidated.

If found guilty, execution would be by garrote, a medieval strangling instrument.

Bargees decide to lift blockade of Rotterdam

Rotterdam, Aug. 26.—Protesting barge skippers decided today to lift their blockade of Rotterdam, the world's largest port, but said they would continue to block the Rhine and all other main Dutch ports with their boats.

Mr. Leo van Laak, leader of the campaign by 2,000 militant skippers and crewmen from the 8,698 cargo barges, said the skippers were lifting the blockade after a plea by Mr. Andre van der Louw, Mayor of Rotterdam.

The two men met to discuss the protesters' demands that the Government should scrap its plan to reduce the number of barges because there were too many and too little freight for them.

Mr. van der Louw pointed out that about 70 large vessels were trapped in Rotterdam by the chains of about 200 barges,

Breton bombers strike again as Paris mourns

From Richard Wigg Paris, Aug. 26

While three senior Cabinet ministers prepared to attend the funeral in Paris today of two policemen killed by Corsican autonomists last Friday, nationalists in Brittany set off more bomb explosions.

Two bombs, each placed at the homes in Rennes of two local politicians who support the Government, did damage but no one was injured. The attacks came only 11 days after those which temporarily closed down a nuclear power station near Quimper.

Responsibility for the power station assault was claimed by the Breton Liberation Front, which also calls itself the Breton Revolutionary Army. So far no organization has claimed responsibility for today's attacks.

Italian jail wrecked by rioters

From Our Correspondent Rome, Aug. 26

Rome's new prison, Rebibbia, was wrecked today after a 24-hour orgy of destruction by prisoners demanding the immediate enforcement of prison reforms.

After long attempts at negotiation failed, police finally quelled the riot this morning by dropping teargas bombs on the roofs where hundreds of convicts armed with sticks and stones had gathered. Then about 1,000 other police with helmets, shields and firearms at the ready moved in, locking prisoners into what cells remained intact, and herding the rest into the courtyard for transfer elsewhere.

Clouds of smoke hung over the prison compound during the night as inmates broke in and set fire to offices, stores, cells and a new £140,000 computer containing the details of each prisoner. Cell bars were ripped out, windows, furniture and equipment smashed and by midnight a deputy governor said: "Only the walls are left."

As the situation calmed down, the authorities found 13 prisoners injured — one stabbed, one with concussion and several with broken bones — as a result of internal feuding. The damage to the prison, Italy's most modern, was estimated at around £15m.

The riot started yesterday as a peaceful demonstration demanding that the prison reform law which officially came into force on Sunday should be quickly applied to Rebibbia. The prisoners refused to come in after their exercise period

OVERSEAS

Mr Ford's new style of 'meet the people' campaign wins votes

From Fred Emery
Washington, Aug 26
President Ford was back in Washington today after a two-week stay in the west, apparently exhilarated by his new round of campaigning in Milwaukee yesterday which brought him intensive local television coverage.

He may not have had much new to say, the Washington Star reporter noted today, but he did win by the new methods of showing himself to the people. They enabled Mr Ford to assure an audience of questioners (not reporters) at a gathering of business men that his Administration is "trying to hear people in all walks of life" in contrast to predecessors who, he said, "listened only to lobbyists in Washington."

One encouragement to Mr Ford, in otherwise unenthusiastic opinion polls, is that the Harris survey today found the President substantially preferred to Mr Ronald Reagan as Republican candidate. The breakdown of the sample of those identifying themselves as Republicans and "independents" was 55-34 per cent in Mr Ford's favour.

Mr Ford's margin held good everywhere except in the west, where it was 47-46 per cent. Even in the south where Mr Ford is supposedly in trouble because of the retention of Mr Nelson Rockefeller as his vice-presidential running mate, Mr Ford was ahead of Mr Reagan by 54-32 per cent.

Mr Reagan, has refrained

from announcing his candidature, but he has authorized a "Reagan for President" organization to raise funds in his cause. Their mailed solicitations, over the signature of Senator Paul Laxalt, newly elected in Nevada last November, are already turning up across the country.

These are early days for polls campaigning, but Mr Ford has plans to keep at it almost every weekend until Christmas. The exhilarating publicity experiment yesterday came first in the President's willingness to answer questions for over one hour at the Milwaukee conference on the economy of civil and business leaders.

That in itself got local television coverage. Then Mr Ford gave a live half hour interview to the local television stations, and he is often seen to best advantage in this format, chatting easily and coming across as the natural Mid-American nice guy that he is.

One issue appears to be nagging at him, however, and that is the damage Mrs Ford's recent candour on intimate family matters may have done him with conservative voters. For the second time in the past three days he gave a long-winded answer defending his wife's answer about not being surprised when asked how she would react if her daughters were having an affair.

Mr Ford suggested there had been a misunderstanding, that his wife did not condone the idea of an extramarital affair.

Improved US grain outlook may boost sales to Russia

From Frank Vogl
US Economics Correspondent
Washington, Aug 26—The United States Department of Agriculture today reported that the outlook for the American harvest has improved. This news will probably have a greater effect on the prospects of further Soviet grain purchases than all the high level discussions now taking place in Washington to persuade the dockers to lift their boycott on grain destined for Russia.

President Ford and Dr John D. Dunlop, the Secretary of Labour, are striving to persuade Mr George Meany, the head of the AFL-CIO trade union organization, to get the dockers to lift their boycott.

Negotiations are also proceeding on a new United States-Soviet shipping agreement, which may well increase the number of American ships carrying grain to the Soviet Union, thus satisfying the dockers to some extent. American courts may impose permanent restraining orders on the dockers, forcing them to load all ships.

But the key factor remains the volume of United States grain production which seemed set for record levels before a drought early this month in much of the Mid-West. The Department of Agriculture is more confident now of a record crop.

Saigon expels journalists

Saigon, Aug 26.—The South Vietnamese Government has asked three more foreign journalists to leave Saigon. Mr Alan Dawson, Saigon bureau manager of United Press International, was asked to leave on Friday.

Two Japanese correspondents, Mr Yoshihisa Komori of

Mainichi, and Mr Hiroaki Yamamoto of Asahi, have been requested to leave next month. Government officials have made clear that all journalists assigned to Saigon before the April 30 takeover by the new Administration will be asked to leave eventually.

Non-aligned nations are urged to unite over economic planning

From Jane Monahan
Lima, Aug 26

Striking a note of political moderation, President Velasco of Peru called for peace and unity in economic planning by developing nations in his speech last night at the fifth ministerial conference of non-aligned states.

His speech was made as reports were received that about 60 per cent of the latest Middle East peace package proposed by Dr Kissinger, the United States Secretary of State, had been well received by Egypt and Israel.

Coupled with President Velasco's call last night for peace and drastic cuts in arms spending by developing countries, these reports have taken much of the steam out of extremist political proposals in Lima. Led by Syria, Libya, Algeria and representatives of the Palestine Liberation Front, the Arab states agreed on Sunday to table a proposal during the conference urging the expulsion of Israel from the United Nations.

But yesterday, giving way to the moderate Arab proposals that a four-nation work-

ing party be set up, comprising three moderate countries, Yugoslavia, India and Zambia, and one extremist, Syria, with the purpose of finding a solution of Middle East problems that would be acceptable to most non-aligned states.

Only watered down demands over the Israel issue are expected this week. Unlike earlier this month when extreme Arab proposals were opposed by several "moderate" African states during the meeting of the Organization of African Unity, there is now also the opposition of moderate Latin American countries, including Peru.

While moderation may be achieved on political issues, it could, on economic matters, result in a weakening of the united strategy that President Velasco seeks.

President Velasco last night said that an important feature of the new strategy could be the prompt setting up of a non-aligned "solidarity fund" for mutual economic aid between member states. But because such a fund seems to presuppose the participation of poorer nations, aid from countries belonging to Opec

(the organization of oil exporters) the Arabs are reported to have suggested modifications. For example, it has been suggested that contributions to the fund should be equal and fixed by the amount that the poorest nations can afford.

It has also been suggested that the fund, which is expected to be like a small World Bank, could call on contributions from countries outside the non-aligned nations. But then, it is argued, developing countries outside the movement should be entitled to draw on it.

Lima, Aug 26.—North Vietnam, North Korea, Panama and the Palestine Liberation Organization joined the Non-Aligned Nations Organization today, swelling its ranks to 82 full members.

The conference rejected South Korea's attempt to gain full membership, and downgraded the Philippines, which wanted to be a formal observer, to the status of a guest. Both had been attacked by many members because of their military alliances with America.—UPI

Court challenge to Mrs Gandhi

Delhi, Aug 26.—The Supreme Court today heard continued legal argument on a challenge against the validity of an amendment to the Indian constitution which effectively blocks proceedings for alleged breaches of election law against Mrs Indira Gandhi, the Prime Minister.

Mr Shanti Bhushan, who is contesting the legislation passed earlier this month on behalf of a jailed Socialist leader, Mr Raj Waran, said the case might now extend into next week.

Briefing foreign journalists, who are being excluded from the hearing, he said he had elaborated on his basic grounds of challenge during the four-and-a-half hours of today's sitting.

These are that the amendment alters the basic structure of the constitution by placing certain persons above the law, destroying the essential concept of judicial review and endangering the workings of democracy. The five-man constitutional bench, headed by Chief Justice

Ajit Nath Ray, has yet to decide on the admissibility of his second main challenge; that the parliamentary session which approved the amendment was invalid because of the illegal arrest of several MPs.

Security precautions around the Supreme Court were relaxed considerably today. Officially said that neither of Mrs Gandhi's sons, who had attended several of the earlier sessions, were present.

Mr Niren De, the Attorney General, and Mrs Gandhi's lawyers, headed by a former Law Minister, Mr Asoke Sen, are opposing the challenge to the amendment. Mr Bhushan said he expected to wind up his arguments late tomorrow or on Thursday.

The Supreme Court has held in abeyance Mrs Gandhi's appeal against conviction in the Allahabad High Court on June 12 on two charges of corrupt electoral practice, and counter-appeals on several other counts on which she was acquitted, until the legality of the amendment is determined.

If it is upheld, all election law charges against the Prime Minister will be rendered null and void. Otherwise, she faces disqualification.

Mr Bhushan said he was basing his challenge on a 1973 decision of the Supreme Court when the court ruled that Parliament did not have the right to alter the basic framework of India's constitution.

The Indian authorities are stepping up a publicity campaign launched by Mrs Gandhi. The walls and public squares here have been covered for several weeks with an ever-increasing number of slogans calling on citizens to: "Declare your income and wealth correctly" and: "Pay taxes promptly."

The moralizing campaign spares no sector, and government offices are trying to set an example. In the Ministry of Information, small signs in red letters invite office workers to: "Talk less and work more."—Reuter and Agence France-Presse.

Terrorists bomb Malaysian monument

From Our Correspondent
Kuala Lumpur, Aug 26

Police today offered a reward of 2,000 Malaysian dollars (£380) for information leading to the capture of suspected communist terrorists who badly damaged the National Monument with explosives.

The monument, featuring a group of seven men, celebrates the victory over the communists in the 1948-1960 insurgency. The dawn explosion blew one of the bronze statues off the

pedestal and damaged two of the others.

The Minister of Home Affairs said one of the three time bombs placed in the monument went off prematurely, wounding at least one of the four terrorists involved. A trail of blood began among the figures on the pedestal and led to the place where the gang had parked their motor scooters.

Two of them abandoned their crash helmets. A police patrol spotted the helmetless riders and when they did not stop

when ordered to, opened fire. One of the gang dropped his wallet and police used the photograph from his identity card tonight to broadcast his description.

The explosion at the monument, which is set among pleasant gardens in the city within sight of Parliament House, is the latest in a series of such acts. In the past few months 10 policemen have been killed and a mortar attack has been made on an Air Force base in Kuala Lumpur.

Amin anger over Mr Hill's comments

From Charles Harrison
Nairobi, Aug 26

Critical comments on the situation in Uganda under the rule of Field-Marshal Amin, made by Mr Denis Hill, the lecturer released recently after being under sentence of death in Uganda, have angered the Field-Marshal. He has declared that if what he calls "malicious propaganda" continues, it will affect relations between Britain and Uganda—which have improved since the visit to Kampala earlier this month by Mr Callaghan, the Foreign Secretary.

President Amin has been angered to read extracts from Mr Hill's book, *The White Nile*, which appeared in *The Sunday Telegraph* this week. He was quoted by Uganda radio as saying that instead of being grateful for the release of Mr Hill, the British were encouraging Mr Hill to continue his "propaganda." If this went on, plans for discussions on compensation for Britons whose property had been taken over in Uganda would be cancelled.

It was only because of his confidence in President Mobutu of Zaïre, who urged clemency, that Mr Hill had been pardoned after being sentenced to death for treason. The treason charge arose from a passage in his book, which, it has recently been announced, is soon to be published in Britain.

President Amin has left Uganda for a tour of African countries, lasting "a few days." He said he would discuss matters concerning Uganda and the Organization of African Unity, in his new capacity as this year's OAU chairman. No details of the tour were announced in advance.

He has to meet provincial governors at a meeting in Kampala, that he is about to constitute a National Union of Uganda and a national forum with representatives from throughout the country to approximate a parliament and a non-political party. They will present the views of the people to the Government.

President Amin has also met the Italian Ambassador and the Papal Pro-Nuncio, together with representatives of Italian missionaries. They have pressed for assurances that they will not be hampered in carrying out their work. Last month a number of Italian missionaries were expelled. President Amin has denied that any Roman Catholics were under pressure or were subject to any discrimination.

Our Diplomatic Correspondent writes: "The British Government still hopes that the economic talks, which were to begin next month, will be held, and that the improvement in Anglo-Ugandan relations will not relapse. The British argument is that what appears in the press is not the Government's concern."

Timor Governor 'ca hold on until today'

Lisbon, Aug 26.—Colonel Lemos Pires, the Governor of Portuguese Timor, has told the Lisbon Government that he can hold on only until tomorrow.

Colonel Pires was continuing his fight against the political groups in the capital, Dili, and the situation was deteriorating, he said.

Colonel Pires issued an international appeal for medicines, doctors and nurses and said that paratroops sent to help to evacuate wounded had brought 14 people to hospitals in Dili including a pregnant woman with a bullet in her stomach.

An official statement in Lisbon last night, based on a radio report made by Colonel Pires yesterday to Macao, said that Portuguese troops were still in control of part of Dili including the harbour and national communications centre.

Thousands of Timorese and Chinese were taking shelter in the port area and in churches but it was too dangerous to evacuate them because of mortar shelling and gunfire.

One of the contending political groups, the Revolutionary Front for an Independent East Timor (Fretilin) had urged the Chinese to stay. But they had not given a definite reply and asked instead: "Who are guaranteeing our safety?"

The other said that no exact casualty figures were available because the dead were being burnt to prevent disease. "The worst thing is that it was mostly women and children who fell victims to indiscriminate grenade explosions."

The fighting began earlier this month when the Democratic Union of Timor (UDT) seized key installations. This resulted in clashes with Fretilin and the colony's other political group, Apodeti. The UDT and Fretilin were in agreement for Timor but Apodeti advocates a merger with Indonesia.—Reuter.

Canberra.—A chartered jumbo jet airliner left Darwin for Lisbon today with 387 refugees from Timor on board. They began the second stage of their flight home shortly after Mr Whitlam, the Australian Prime Minister, had appealed to Portugal to reassert its control in the colony. In a state-

ment in the House, senators he said that had a responsibility to prevent any further loss of life on board a 9,000-ton cargo ship behind him to sea life in Australia. It had dozens of men when it took off. Men passengers were soldiers and children.

An Australian for a spokesman said that a mission had been sent to try to settle in although it was a that the Government consider the request pathetically.

Dr Jose de Melo, the Portuguese Consul in Darwin, said that a mission had been sent to try to settle in although it was a that the Government consider the request pathetically.

Of those that are want to stay in others may decide to return to Timor fighting stops."

Latest reports indicate Fretilin is now in Dili, while UDT forces are in Bauco, a larger town in Timor, and UPL.

New York.—Dr Lemos Pires, the Governor of Portuguese Timor, has told the Lisbon Government that he can hold on only until tomorrow.

The letter, dated arrived yesterday, it second to Colonel Lemos Pires, the Governor of Portuguese Timor, has told the Lisbon Government that he can hold on only until tomorrow.

He said that Fretilin had hampered the evacuation of refugees to ships in the port area because of the Dili port area being held in the hostages," he added.

If the situation prove "international may become necessary which the good office Excellency are indisposed to undertake," he said reporters how there were indications that there had been subsequent events.

Ceasefire pact 'signed' by two Angolan rivals

Lisbon, Aug 26.—Lisbon radio today broadcast an announcement by Angolan State Radio that the two main rival Angolan liberation movements had signed a ceasefire agreement.

The new ceasefire was said to have come into force yesterday between the Popular Movement for the Liberation of Angola (MPLA) and the National Front for the Liberation of Angola (FNLA).

Under the ceasefire, the FNLA, it was said, will withdraw from a certain district; its name could not be deciphered due to poor radio reception and will also hand over FNLA arms to Portuguese forces.

The Angolan state radio broadcast appeared to have been made by a member of the MPLA, since he ended by saying: "This is one more victory for the forces of FAPLA" (the name of the MPLA's army).

Separated by tribal and ideological differences, the two groups have been locked in a struggle for command of southern Angola.

The fighting shifted southwards after the MPLA beat the FNLA for control of the capital, Luanda. While the MPLA gains most of its support from the capital and its eastern hinterland, the FNLA has its roots in the north-east.

In Luanda, a mass grave full of human bodies has been un-

earthed near Sao Paulo fort. The core estimated to be at least 100 years old. Other graves have been sighted in the area but have not been identified.

Reuter at France Presse. Martin Meredith writes: "Two Luanda newspapers closed down after they had run out of print supplies."

Commerce gave war today's issue would be for an indefinite period newspaper advised to listen to the radio. A second morning in Journal de Angola, stopped publication.

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In Luanda, a mass grave full of human bodies has been un-

Philippine rebels kidnap stewardess

Manila, Aug 26.—A Japanese stewardess with the West German airline Lufthansa has been kidnapped by Muslim rebels in the Philippines and is being held for a 200,000 pesos (£12,500) ransom.

Mrs Yoko Seki, a ground stewardess in Tokyo, was on holiday with her husband when she was kidnapped yesterday on Santa Cruz Island, about 30 minutes by boat from Zamboanga City on the island of Mindanao. Her husband was left unharmed.

Mr Francisco Tatad, the Philippine Secretary of Information and the ransom note was signed by the Moro National Liberation Front.

Mrs Seki was the fourth foreigner and the second Japanese woman to be kidnapped in recent weeks in southern Philippines.

Poet arrested security police in South Afr

Pretoria, Aug 26.—Breytenbach, a leading South African poet who had been in exile in Paris, is arrested by security police as he was officially announced today.

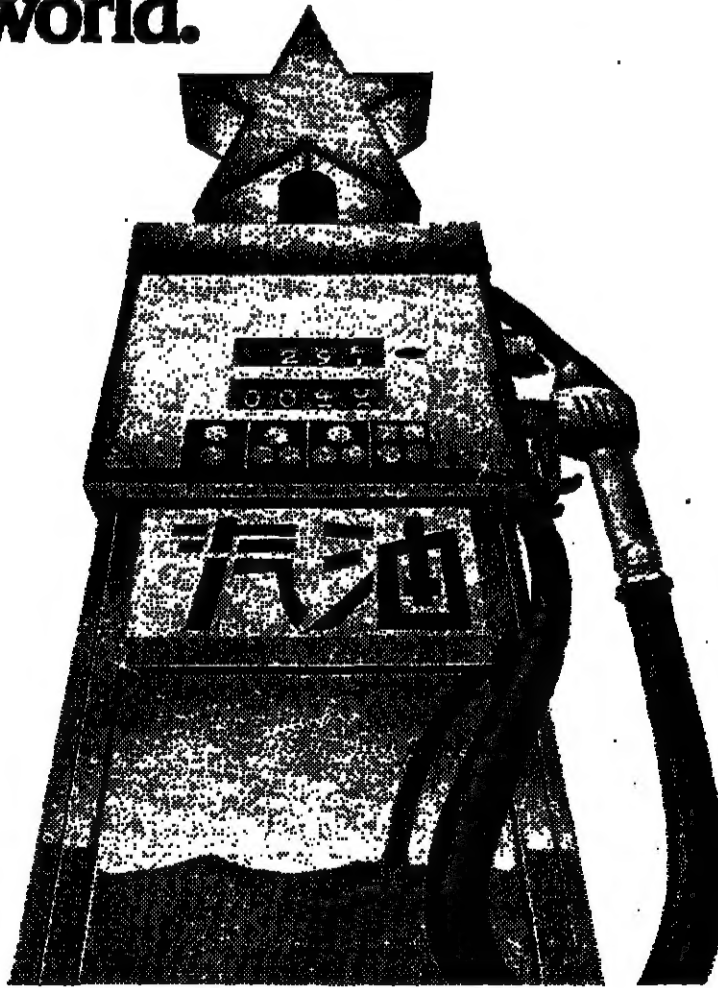
Mr Breytenbach, who is held on a charge of using false documents. He tried to flee to a Vietnamese boat but they cannot live in Africa as man and wife. The immorality Act forbids sexual relations between people of different races.

Mr James Kruger, the Minister, said in a statement that Mr Breytenbach was arrested on August 19 at a farm in the country of a under the name of a Greek resistance fighter. He had to be a French Reuter.

Mr Jean Starobin, a journalist of Greek origin had been arrested for 90 days at East-Asia, said General Ioannidis (who sentenced to life imprisonment Saturday for his part in 1967 coup), had tried to ruin him as he was a Greek resistance fighter.

When he refused, the oral told him: "You realize the position you're in. Here we do all the dirty work and we know that if regime falls we'll be there. Therefore, be sure, we determined to go to extremes."

How today's China is preparing for tomorrow's world.



On September 30th, The Times is planning to publish its third Special Report on the People's Republic of China.

This year's Report will survey China's achievements over the last twenty-five years, examine her current trading position vis-à-vis the rest of the world and discuss the long-term prospects for over a quarter of the world's population who live within her frontiers. It will also take a look at China's little-known, but booming oil industry.

In addition, the Report will discuss Britain's disappointing share of China's world trade, with the exception of the aviation sector, and will consider what measures could be taken to regain the lost ground in this vast potential market.

Major contributors to this Report will include David Bonavia, The Times correspondent in Peking, Richard Harris and a team of specialists in Chinese affairs.

The growing strength of trade links between China and the West make this Report a unique platform from which Western businessmen and companies can promote their goods and services.

The Times is the most widely read English newspaper in China today. Last year's successful Report on Trading with China was read in the main Buying Centres of the People's Republic. This year distribution will again include circulation amongst the Chinese Buying Corporations and exhibitors and visitors to the Canton Fair which opens on October 15th.

For further details about this Report, please contact: Alan Gray, The Times, New Printing House Square, Gray's Inn Road, London WC1X 8EZ. Or telephone: 01-837 1234, Ext. 6195.



Two Bangladesh arrests on wealth charges

From Our Correspondent
Dhaka, Aug 26

Two Bangladesh officials, including a former Cabinet secretary, have been arrested under martial law regulations, Bangladesh radio reported yesterday.

Mr H. T. Imam, former secretary in the Cabinet division, and Mr Nurul Ahmed, secretary in the Ministry of Forests, Fisheries and Livestock, were charged with amassing wealth through corruption. The broadcast also said that Major-General Ziaur Rahman, the new Army chief of staff, had urged Army officers to set an example of discipline and dedication.

Torturers given state jobs by jun

From Our Correspondent
Athens, Aug 26

Greek military policemen who served as torturers at East-Asia, the notorious interrogation section, were guaranteed civilian jobs after leaving the Army, according to the evidence of prosecution witnesses at the court martial of 31 officers and privates accused of torturing political prisoners.

Major Michael Zouvelos, the prosecutor, created a sensation when he disclosed that the torturers had been given Government posts as under-secretaries and district governors. He promised to identify them in his summing-up.

In the past three sessions the court heard the testimony

of several former privates who had served at East-Asia. Some of them showed such reluctance to corroborate their sworn statements that the prosecutor asked them if they were afraid. Mr Tryfon Paravantis, a witness who had served in East-Asia as a driver, told the judges today that he had received an anonymous telephone call threatening his own and his father's life in case he made revelations in court.

He said he had seen political prisoners beaten up. It was he who had driven to hospital Colonel Spyros Moustakalis after the torturers that left him a cripple. He had also been used on night duty to guard the house of General Demetrios Nidis.

M Jean Starobin, a journalist of Greek origin had been arrested for 90 days at East-Asia, said General Ioannidis (who sentenced to life imprisonment Saturday for his part in 1967 coup), had tried to ruin him as he was a Greek resistance fighter.

When he refused, the oral told him: "You realize the position you're in. Here we do all the dirty work and we know that if regime falls we'll be there. Therefore, be sure, we determined to go to extremes."

By Michael Phillips
Racing Correspondent

Mountain Rescue could hardly have won more easily than she did, which was just as well for

ing room in the history of English racing. And he won it on Buckie, who was one of the horses that helped him to land his treble at Salisbury.



Richard Fox and Buckie returning to the winners' enclosure after their success in the Steve Donoghue Apprentice Handicap

not fulfil their early hopes, Buck at least evened things up with a dam, Cullen, by winning yesterday. In her heyday Cullen also won at Epsom. In her case, victory came in the Great Metropolitan Stakes.

Eventually he was entrusted to Bob Turnell, who also trained Mrs Barker's lovely hunter chaser, Bullock's Horn. Even if he did

STATE OF GOING (official): Har-
dock Park: good. Beverley: firm. Great
Yarmouth: good to firm. Devon and
Exeter: firm. Fentwell Park: firm.

Mr McMandy, runner-up in three previous races, finished second in an easy two lengths.

bearing Corrieheel by a neck in Wensley Plate. The filly, who was ahead well inside the final furlong, is home bred by Brian Driffie.

By Michael Seely

this season would involve a tilt against the older sprinters in the Vernons Sprint Cup at Haydock Park at the end of the season. A

As I wrote earlier, Donrae came home in great style when beaten just over a length by Pasty in the Lowther Stakes at York.

Frank Freeman's filly, retz. was a popular winner

over jumps two years yesterday's was his first success on the flat.

2.15 HALL QUAY PLATE (2-y-o fillies : £345 : 5f 25y
2 0033 Chrissador W. G. Payne, K. Ivory, 8-11 .. W

Haydock Park programme

2.15 TOLL GAVEL HANDICAP (£345: 1m)	
3	0001-00 Rust Borough (W. Brown). D. Doyle. 3-9-4 ..
4	0 Little Burglar (R. Taylor). D. Yeoman. 4-9-3 ..

1	Mattheia, 10-1	
10	000440	Caravan Camps (W. Stoker), W. Gray, 5-T-R, 1
11	000-00	Gala Neen (Mrs. Hodges), D. Holmes, 5-T-B
14	44002	Mary Kanga, N. Butler, E. See, 1-B
15	000000	Powdered Sugar (Mrs. Anderson), S. Houghton, 5-T
16	400005	Rhaili Grange (A. Parkinson), C. Brittain, 5-T
18	000000	Sally Lime (Mrs. Fife), J. Ormston, 5-T-B
20	004000	Star Pupils (A. Rose), C. Smyth, 5-T
9	Rhaili Grange, 5-1	Mary Kanga, 4-1 Abernethy, 4-1 Pup
6-1	Star Pupils, 12-1	Sally Lime, 20-1 Gars.

2.0 FONS HURDLE (E441: 2m 1s)

Devon and Exeter select
By Our Racing Staff
2.30 Bybrook. 3.0 Kilminian. 3.30 T
a Palaver. 5.0 Power Point.

rs Pitman, 6-12-5 M. Sadler 7
f. Hayna, 6-11-10 D. Jeffries 7

traphon. 4.8 Kerry Spirit. 4.30 What

2.30 TEINGRACE STEEPLECHASE (Handicap: £510; 2)

Beverley selections
By Our Racing Staff
2.15 Rose Petite. 2.45 Mary Garden. 3.15 Donnas. 3.45 B M.
Mary Kinner. 4.15 Edna of Goshens. 5.15 Goshens.

110	000003	Gorden, Chas. 1475 Dardot, N. Hollinshead.
111	330-0	Indaber (J. Mowley), S. Brookshaw, B-11 ...
112	000	Lady At Leisure (Ed Petersham), F. Carr, B-1
113	000	Lilima (R. Porter), P. Makin, B-11
114	0000-00	Mam, Gidley (D. Robinson), B-11

4.29 0-00 Midax (P. Prell), M. H. Easterby, 3-10-A
4.30 200030 Philmont (J. Gallagher), W. Marshall, 3-10-B
3-1 Blue Chrome, 5-2 Abu's Glim, 100-30 Le Lion, 8-1 Philmont
14-1 Midax, 16-1 Others.

4.30 TYLDESLEY HANDICAP (2-y-o: E900: 6f)

501 001321 Pitaby (D) J.C. Murphy, F. Carr, 4-2
502 220 Skib (SF) J.C. Murphy, D. Douc, 4-2
503 220 Skib (SF) J.C. Murphy, D. Douc, 4-2
504 220 Skib (SF) J.C. Murphy, D. Douc, 4-2
505 220 Skib (SF) J.C. Murphy, D. Douc, 4-2
506 220 Skib (SF) J.C. Murphy, D. Douc, 4-2
507 220 Skib (SF) J.C. Murphy, D. Douc, 4-2
508 220 Skib (SF) J.C. Murphy, D. Douc, 4-2
509 220 Skib (SF) J.C. Murphy, D. Douc, 4-2
510 220 Skib (SF) J.C. Murphy, D. Douc, 4-2

H-11 T. Ives	12	14 60-3121	Black Fire (R. L. Langer, J. F. Edwards, 4-7-11)
—	11	14 60-4104	Night Nurse (R. Spencer, W. H. Eastmeyer, 4-7-11)
I E. Johnson	4	18 14-4000	Salvo of Cankers (T. Johnson, J. Ormston, 4-7-11)
D. Cullen	4		7-4 Black Fire, 11-4 Aldie, 3-1 Ezra, 13-2 Night Nurse, 8-1 Sal

<p> 10-11 Colling 12-3 10-11 Hinks 7-3 10-11 Lemon, 10-11 </p>	<p> 10-11 29p places, 16d, 17p; forecast, 71p. A. R. Turnbull, at Marlborough, 11, 6l. 2min 37.8-sec. </p>	<p> 2.45 (2.48) BOURNEHAM (Div 1) 2-y-o: E414; </p>
<p> 10-11 Johnson 4 10-11 Eddy 4 10-11 B. Thompson 4 </p>	<p> 3.40 (3.42) HEATHCOTE HANDICAP (2-y-o: £792; 71) </p>	<p> Night Glow, br f, by F Enchanted Evening fl ster, 8-8 C. Cadwaladr 8-8 Midnight Mov, br Punchinello-Little Six McBain, 8-8 J. L. </p>

By Our Racing Staff
2.0 Tamerglow, 2.30 Colonius, 3.0 E

NIDGE PLATE 17-2
5f)
Break—
R. Song—
(11-4 fav) 1
1
Mrs F.
wa (18-1) 2

ALSO RAN: 7-1 Darling Eve 17-2
Ramoni, 12-1 Rope Dancer, 14-1 Black-
En-Bloc, Spring Fling (4th), 25-1
Twenty One 50-1 Kari's Fire, Young
Blind, Star Star, La Jet, Well
Borded, 14 ran.

TOTE: Win. \$30; places 15p, 14p.
5p. C. Harwood, at Pulborough. 4, 1,
41.

Eric. 3.39 French Society. 4.8 Dinner

5.45 (385) LION'S LODGE HANDEL-
CAP (12470: 5P)
Whiffenratz, br f. by Whiffenpoof
—Haterius F. Freeman 5-2
G. Haterius 5-2 fav. 1
Haterius, br s. by G. Haterius

2.43 Mary Garden. 3.43 Inlvaro. 4.13 Abergwilly.

2.50 (2.32) **ALCISTER STAKES**
 2-9-01: 2420; 11
 Parsy Snow, ch f, by Crockett
 Hataway (J. Harty) 8-11
 My Wells, b c, by Marcus Bruce
 Snow Boot (W. Wells), 9-0
 6thm Ocean, ch c, Oldroyd (A. L.)
 Chms Maid (H. Haggard)
 Gay Man, ch c, Johnnie
 His Potkin (H. Thibault) 4-1
 H. Raymond (F.)
ALSO RAN: 4-1 Winner
 Ville De, ch Canadian Squire
 My Nerve, 12-1 Silver Shoe
 2-1
TOTAL:

509	0190	Amber (T. Robson), N. Adam, 8-5 I
509	01	Centilhombr (T. Robson), N. Adam, 8-5 I
510	403113	Shady Desire (A. Le Blond), T. Fairhurst, 8-0
511	040032	Survival (D. Lark), W. Narnhall, 7-12
511	400034	Chinese Saloon (Mrs. Rajon), M. Naughton, 7-5 C

Charnock 5	4	—Mow Meadow (W. Maskell).	500 Windy, 12-1 Moorma
S. Webster 5	2	7-12 R. Fox (4-1)	show, 14-1 Superpack
D. Cullen	6	ALSO RAN: 100-30 Orina (4th).	Boreal Belle, 33-1 Brew
Rodriguez 5	1	14-1 5 mo	hill Lada, Market Town.

in, 15-1 Road-
(4th), 25-1
master, Rad-
Stewart, Lind-
Aldrough, b c, by Sky Gipsy—
Sovereign

ALSO RAN: 31 Another Fiddler, 6-1
The Soloist, 12-1 Vibration, 14-1
Spanish Nun (dth): Fishy Tale, 14-1

Major, 10-1 Madhot (42h), 14-1
Siddy Dance, 13-1 China God,
Saddah, Privy Moss, Saddlers Queen.
12 ran.

SPORT

Athletics

Opposition could be too strong for Walker

By Neil Allen
Athletics Correspondent

Even if John Walker, New Zealand's world record holder for the mile, can survive the next two frantic days of interviews and photo-calls he could still be beaten by stiff opposition over a mile in the International Athletics Clubs meeting (sponsored by Coca-Cola) at Crystal Palace on Friday.

Yesterday, Walker, who ran 3min 49.4sec for the mile earlier this month in Sweden, talked for more than an hour to British reporters, did three broadcasts, and then went for relaxation to see the film *Confessions of a Pop Performer* before moving on to a television studio. At home he is slightly familiar with this kind of pace as he works as an advertisement salesman (for independent radio). But he still remarked to me: "If it goes on like this, I could be stuffed by Friday."

The hustling programme could conceivably let in a man like Michael Bolt, of Kenya, with a chance of victory. Walker believes that at least three of the runners in Friday's field, apart from himself, are capable of between 3min 51sec and 3min 52sec. But anything as fast as that, let alone faster, could depend upon what happens in the third lap. I'm not too worried about being beaten because it can always make you a bit stronger the next time. In this European three-month tour I've had 14 races, and lost three over 800 metres to Bolt, over two miles to Liguori and 1,500 metres to Rod Dixon. All three will be running against me on Friday.

Walker has turned the long absence from home by having a pleasant base in Sweden in a private home rather than a series of bleak hotel rooms. He has always had at least two hours of sleep but also had found relaxation by



John Walker running in the streets of London yesterday.

going out for a beer or a dance or even fishing. "You can't live like a robot. No, I'd much rather be an athlete than a rugby player. You've got to get yourself out of bed on a Sunday morning, maybe with a bit of a hangover, to

do your training. But then you run and sweat all the sweat out, come back, have a shower, then a good meal and a beer, and you feel so great." Walker, who was at pains to point out that he weighs only 11st 11lb and not the 13st previously reported, spoke highly of the chances of Brendan

Forster in next year's Olympic 1,500 metres though added that his fellow New Zealander, Dixon, had a remarkable range of good performances from 800 metres up to cross-country. Walker himself intends to try for both the 800 and 1,500 metres in Montreal next year.

Football

Bonetti returns from America to assist Chelsea

Peter Bonetti, given a free transfer by Chelsea at the end of last season, has rejoined them on a monthly basis until the club have overcome their goalkeeping problems.

Bonetti, who arrived back at Stamford Bridge yesterday after his close season in the United States, had been linked with the neighbouring first division side, Queens' Park Rangers. But McCreadie, Chelsea's manager, because the Chelsea first team goalkeeper, Phillips, is injured and he has only two youngsters, Sherwood and Richards, in reserve.

McCreadie will not stand in the way of Bonetti if another club makes a move for him.

He said: "I am delighted that Peter has agreed to join us on a monthly basis. But I must admit that he has been given a free transfer by the directors for loyal service and to say club is interested in signing him then they may approach Peter or myself at any time."

Bonetti is not in the team at present as he is on loan to the first team, but Chelsea do include him in their squad. Bonetti is a 40-year-old, a former Chelsea player who has no league experience. He is 18 from Lambeth, joined the club straight from school.

Radford, the Arsenal forward who has missed the start of the season because of a toe injury,

will begin his comeback in a reserve game at the weekend. The manager, Brian Clough, is satisfied with the progress of another of the club's casualties, Simpson, who has a thigh strain.

The Tottenham Hotspur and Republic of Ireland defender, Kinnear, visited Brighton's ground yesterday for talks with the manager, Peter Taylor. Mr Taylor later said that it was "only a minor strain" and Kinnear would sign for the club.

The clubs have agreed terms and it is thought a transfer fee of £5,000 will be paid for the player who has spent 11 years at White Hart Lane, playing nearly 200 caps. Kinnear said: "This

seems the right time to transfer to another club, one with great ambitions. I feel I have five or six good footballing years left in me."

Leicester City include an 18-year-old, Simon, in the match against Stoke City at Filbert Street today. Simon's first senior team appearance against Manchester City a week ago, was cut short when he injured his leg, but he has now recovered and takes over from Gordon Smith.

Gordon Smith, the Kilmarnock left winger, has withdrawn from the Scotland under-23 pool for the match against Denmark at Frederikshavn on September 1 for business reasons. Prentice (Heart of Midlothian) replaces him.

Tennis

Only seven unforced errors in Miss Evert's display

Harrison, Aug. 25.—Christine Evert, the top seed, played almost flawless tennis to dismiss Virginia Wade, the third seed, 6-0, 6-1. Today in the final of the Medievik women's tournament, Miss Evert, in her final preparation before the United States open championships which begins on Wednesday, needed only 50 minutes to win.

At her magnificent display, she made only seven unforced errors during the match on a clay court. Miss Wade lost the first 11 games in a row, salvaging only the 12th game when she broke Miss Evert's service after saving a match point. But then, Miss Evert broke back for the seventh consecutive time for victory.

Miss Wade, who is seeded second at Forest Hills (Miss Evert is the top seed), was erratic throughout. When she tried to change ground strokes, she found it futile, being inaccurate or being passed by her steeper opponent. When she overcame her opponent's aggressive style of play, she found

her volleys and overheads wanting. Although Miss Wade started strongly with a 4-0 lead on her service, she was broken by three errors and a backhand pass. Her service was broken again in the third and fifth games to 15 and 30. Miss Evert yielded only three points on her service in the first set and at one point, her control was such that she won nine consecutive points.

At Forest Hills, Maria Bueno, of Brazil, who won the United States open title in 1963 and 1964, defeated Nana Satō, of Japan, 6-3, 6-4 in the first qualifying round. Miss Bueno, returning to tennis after an absence of 10 years, is competing for one of eight places in the main draw.

Ireland's tennis team to play Scotland and Wales in the triangular tournament at Glasgow on September 5 and 6 will be Michael Elckey (Limerick), Kevin Minton (Dublin), Helen Lennon (Dublin), Nuala McMorris (Belfast).

Borg passes Alexander on way to professional final

Chestnut Hill, Massachusetts, Aug. 26.—Björn Borg, of Sweden, defeated Jimmy Connors, of the United States, 6-3, 6-7, 6-3, 6-4, yesterday evening. The victory sets the stage for a final between Borg and Guillermo Vilas, of Argentina, tonight. The pair last met in the French Open when Borg defeated Vilas in three straight sets.

Borg's only set loss yesterday was in a 5-7 tie-break, but at all other times he was poised and in control. He won the match, the youngest player to win the United States professional event last year at the age of 18. Borg completed the triumph with a 10-0 lead in the final set in the final set.

Borg gained an early lead with a first game break and gained another in the third, keeping Alexander at long range with baseline shots. The Australian was

finally able to rush the net and force several Borg errors on his way to a fourth game service break.

Borg broke Alexander with outstanding net play in the seventh, and after the Australian broke back captured the set with a series of thunderous passing shots beyond the on-rushing Alexander.

Both players had scheduled to meet in the men's singles final between Vilas, of Romania, and Bob Hewitt, of South Africa. The tennis week open at the Orange Tennis Club, South Orange, New Jersey, yesterday.

Nastase and Hewitt have been granted a one-day delay at the United States Open at Forest Hills, New York, in order to complete the championship match here. Virginia Ruzici and Maria Simionescu, both of Romania, will meet in the women's singles final. In tomorrow's final match, Nastase will team with James Connors against Jimmy Connors and Dick Crealy, of Australia, for the men's doubles title.—Reuter.

Cycling

Vicious circuit for best road riders

Mettex, Aug. 26.—The world's leading road racing cyclists converged on this small southern Belgian town today for the start of tomorrow's world road race championships on some of the most testing roads to be found in this largely flat country.

There is hardly a yard of flat road on the route taken by the amateur 100 kilometre team time-trial which opens tomorrow morning and the circuit for the women's race to be held in the afternoon includes the difficult climb. The individual amateur title will be decided on Saturday on the flattest of all the courses but even this run, if it does not contain any big climb, is a switchback.

The circuit at Yvoir, near here, chosen for the professional road race, the climax of the championships, is "vicious" according to some riders who say it bears Mont-Saint-Michel Royal circuit for toughness. It has a long, stiff haul up to the finishing line.

The East European teams, and particularly the Polish, Russian and East Germans, are expected to pose the stiffest challenge in the amateur team time-trial. But Sweden have a strong team and in this event which they have won four times since 1967.

In the absence of the Russian women the team time-trial tomorrow afternoon will be more open. But it could also be far more difficult as in the past the Russians have been very strong in the sort of circuit that would have suited the absent Beryl Burton.

Denise, and her daughter, Denise, and the smaller boys, Camille, has a solid chance of scoring a record third win. But the American girls will also be strong.

As usual, all eyes will be on the triple world champion, Eddy Merckx, of Belgium, in the professional race on Sunday.

Yachting

Concentration crucial for competitors at Burnham

By John Nicholls

Concentration was the name of the game for yachtsmen racing at Burnham-on-Crouch on the fourth day of the annual regatta week yesterday. All races started in the eastwards, and a light easterly breeze was barely sufficient for the fleet to make the first round.

Forward progress over some parts of all the courses was painfully slow. The narrow strip of river closest to the bank, where the tide was slackest, became the most important part of the course. Chichester the moment to tack out into the faster current and then tacking back again were critical decisions that won or lost races.

Needless to say, the smaller, nippier classes were at an advantage as the tide was out. The A handicap class were soon overhauled by later starters.

Edward Heath's Morzine Cloud, being the largest boat racing at the time, was obliged to sail in the strongest current and was never able to get clear of her rivals as she did in previous races. She was the largest boat still racing because the scratch boat, More Opposition, sailed by a crew of local experts, ran aground soon after the start in exactly the same place as last autumn's breeze on Monday.

She was followed on to the mud by Mersea Pearl (V. Newman) and there they both stayed for about half an hour. Mersea Pearl hoisted her sails and eventually blew off, but More Opposition used her engine to pull her self off and retired from the race.

The Squibs, starting at the end of the queue of the keelboat classes, were among the fastest in yesterday's conditions and were soon strung out among the handicapped boats.

Luckily, the various classes were using different windward marks, with the smaller boats sailing first. The handicapped classes plodded on out to sea, and

as they left the river D'Arcy Spice (L. Baker), of B class, was leading, followed by R. Matthews, another from B class, was second, followed by Vendetta III (D. Clabaut), first of the A class boats.

Once out of the river, Morning Cloud forged ahead and finished first, but was only fourth on handicap. First place in A class went to Guinevere (E. Timms), while D'Arcy Spice won her class on corrected time after tacking into the wind.

The Dragons were led round their mark by Vana (R. McVillie) and soon after came John Meers in Whitbang, first of the Squibs. Vana survived some easy spinning and a few more nerve-wracking windward legs to lead her class home, but Whitbang was unable to keep up her early pace. She was overhauled on the final beat by Thistle (Peter Duce), who went on to record her second successive win.

HANDICAP CLASS A: Guinevere (E. Timms), Class B: D'Arcy Spice (L. Baker), Class C: R. Matthews (R. Matthews), Class D: Vendetta III (D. Clabaut), Class E: Morzine Cloud (E. Heath), Class F: Guinevere (E. Timms), Class G: D'Arcy Spice (L. Baker), Class H: Whitbang (P. Duce), Class I: Thistle (P. Duce).

SEILING: LIND GARDY (J. Clark), DRAGON: VANA (R. McVillie), EAST COAST OD: Redwans (R. Campbell), BURNHAM OD: APRIL (G. Hogg), CORINTHIAN OD: CORPUS (P. Meers), SCOTS: Thistle (P. Duce).

LLANDUDNO Windermere Trophy postponed until today, to wind.

CHICHESTER World map challenge, which second race, 1. (1st), 2. (2nd), 3. (3rd), 4. (4th), 5. (5th), 6. (6th), 7. (7th), 8. (8th), 9. (9th), 10. (10th), 11. (11th), 12. (12th), 13. (13th), 14. (14th), 15. (15th), 16. (16th), 17. (17th), 18. (18th), 19. (19th), 20. (20th), 21. (21st), 22. (22nd), 23. (23rd), 24. (24th), 25. (25th), 26. (26th), 27. (27th), 28. (28th), 29. (29th), 30. (30th), 31. (31st), 32. (32nd), 33. (33rd), 34. (34th), 35. (35th), 36. (36th), 37. (37th), 38. (38th), 39. (39th), 40. (40th), 41. (41st), 42. (42nd), 43. (43rd), 44. (44th), 45. (45th), 46. (46th), 47. (47th), 48. (48th), 49. (49th), 50. (50th), 51. (51st), 52. (52nd), 53. (53rd), 54. (54th), 55. (55th), 56. (56th), 57. (57th), 58. (58th), 59. (59th), 60. (60th), 61. (61st), 62. (62nd), 63. (63rd), 64. (64th), 65. (65th), 66. (66th), 67. (67th), 68. (68th), 69. (69th), 70. (70th), 71. (71st), 72. (72nd), 73. (73rd), 74. (74th), 75. (75th), 76. (76th), 77. (77th), 78. (78th), 79. (79th), 80. (80th), 81. 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Providing overseas aid where it is needed most

This week's annual report by the World Bank makes grim reading. More people than ever lived in absolute poverty in the world last year, and the signs are that the situation will worsen in the years ahead.

The bank's report rounds off a series of international conferences and expert findings which all add up to the same conclusion: that appalling famine threatens the world's population, especially the poorest countries, by the turn of the century.

It is a brutal statement to make, but the situation needs to be underlined in stark simplicity to bring home to the developed world that whatever its own economic difficulties, it pull into insignificance beside those which the worst off countries must cope with now and continue to struggle with indefinitely.

The World Bank points out that about 650,000,000 people now live on a miserable pittance of less than \$24 a year. And it stresses that the big oil price rises, the general recession and record inflation rates have had a particularly crippling impact on the poor countries.

Moreover, it accepts that little can be done in the short term to reduce the size of the population of the poorest countries. Indeed, there is now scant room to argue against the dependent contention that anticipated population growth in the developing world presents a looming tragedy with millions more people jobless, homeless and suffering from hunger, malnutrition and starvation by AD 2000.

But the rapidly growing population is the key aspect there is no longer any doubt that family planning, important and desirable as it is, can make only a limited contribution and that only a dramatic improvement in the developing world's living standards through a worthwhile rise in real incomes will ultimately cut the birthrate sufficiently to mitigate the worst excesses of large-scale poverty, famine and the disease that inevitably accompanies this.

The World Bank report endorses authoritatively the widely held views expressed at international ministerial gatherings I have attended in the past year for the British Government. More important for Britain, the World Bank's new theme of concentrating its aid to the poorest people in the poorest countries, especially through rural development, underwrites precisely the marked change of emphasis in British aid policy which the Government is now implementing.

Here we are in the vanguard of developed donor nations. A White Paper, spelling out our approach, will be published later in the year. The policy is already meaningfully underway, however. British bilateral aid is increasingly to be channelled to the poorest. Recently we announced that countries where the annual income is less than £19 a head will get all their aid from us in outright grant terms in future—a significant step forward.

The World Bank report is critical of the way some developing countries provide a level of service for the middle classes and well-to-do well above anything they do for their poor people. It is a thoroughly justified criticism. There is much to be done, too, by genuine income redistribution and land reform. These are matters for action by the

developing nations and although we cannot and should not set fixed conditions for our aid which may impinge on local political decision-making and smack of neocolonialism, it is logical that our poverty-oriented programmes should take these factors into account as we apply it, although getting our policy messages through to recipient governments is an inevitably lengthy and sometimes delicate process.

Just as the World Bank seeks to spearhead its attack on poverty through efforts in the rural sector, so do we. Food aid is an essential short-term need, but increased agricultural production in poor countries, leading to self-sufficiency, is the real target. We believe this must be integrated and planned development, taking rural roads, irrigation, marketing, farm credits, rural health and education.

With the world in recession, concessional aid is certainly hard to come by. Our own domestic economic dilemma makes us uncomfortably aware of this. Nor can we expect that the new oil-rich countries will suddenly bear the burden. The World Bank says that although they have increased their aid considerably, they have their own balance of payments problems. So it is our aim to do all we can to encourage matching contributions to our own efforts from the new donor states whenever possible.

Likewise we seek to persuade and influence the multilateral agencies and our donor nation partners, including those in the EEC, to join with us in applying poverty-based criteria for aid.

The bank report stresses, too, the need for liberalisation of trade policies and for commodity agreements to help the developing countries. Britain has played its part in working for these ends by its support for the satisfactory completion of the Lomé Convention and its support for changes in EEC tariffs through the generalized scheme of preferences, and through the Prime Minister's Kingston initiative on commodities.

Above all, we must recognise the importance of an expanding world economy. If the industrial nations prosper, if they can overcome the rampant inflation that affects so many of them, they will enhance their ability to assist poorer countries more effectively—though that ability to act must still be put into practical effect by determined political will.

There is, of course, another side to the coin. An improved situation in the developing world should lead to welcome additional markets for the developed nations. There is far more than a moral case for reducing the gap between rich and poor, overwhelming though that moral case is.

But when domestic resources are severely limited and the demands upon them are immense, it is all the more essential to ensure that our aid is deployed where it will make the most clear cut contribution. The Bank's analysis is as realistic as it is frightening. It shows that we can never do enough. But our aid programmes, whatever the shortcomings, are moving steadily in the right direction and will certainly continue to do so.

John Grant
The author, MP for Leighton, is Parliamentary Under-Secretary of State for Overseas Development.

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A glimmer of hope to confound the prophets of doom

Raymond Fletcher

A fighting chance to avoid watching ourselves starving to death on colour television

Among the unfinished work cluttering my files is the text of a book I started in 1971 and stopped writing 40,000 words later. It is, I have been told by the only man who has read it, an extremely elegant exposition of total despair, and manages to make the prophet Jeremiah look like an optimist and Nietzsche a bundle of fun by comparison. If an American humorist had not beaten me to the side I would have had to call the thing *The Decline and Fall of Practically Everything*.

I was, therefore, in at the beginning of the Doom Boom and would probably have done very well out of it, had I not been broken by my own conception of politician's duty towards those who elect him. While I believe that every politician has the right to talk nonsense, to bore both the House and his constituents and to become a headline-hungry ass, I cannot extend these rights to include the eloquent advocacy of despair.

Despair itself, of course, is the constant companion of all politicians with the time and intelligence to brood on the social situation as a whole. He who has not made his acquaintance no more fit to be in the House of Commons than a pop singer in the Scottish Chamber Choir.

But to be infected oneself is one thing. Knowingly, even enthusiastically, to spread the infection, quite another. Because this is a time when we are all making the point discovery that democracy is not the natural condition of political man and that its foundations are as fragile as those of a wedding cake. To preach despair from the privileged benches at Westminster in these times and circumstances, is to paralyse the will of all those, whether in trade union branches or Cabinet committees, who try to preserve the foundations and the rule of society which has built on them. So I did not finish it.

There was, I fear, little honour and even less nobility about this self-denying ordinance. My thinking had

been switched on to different tracks, one of those who pulled the necessary levers has just published a report which demonstrates that civilization still has a fighting chance and that we are not inexorably driving ourselves towards a ravaged earth on which we are doomed to watch each other starving to death on colour television sets.

Like most American work in this field, it bears a forbidding title—*Human Requirements, Supply Levels and Outer Bounds: A Framework for Thinking about the Planetary Situation*. It is produced by the Centre for Integrative Studies of the State University of New York. Its authors are John and Magda McHale.

Dr John McHale, director of the Centre, is born in Scotland and acquired three reputations on his way towards the study of the future. He is a designer, with a French decoration to prove it. He is an artist and a Fellow of our own Royal Society of Arts. He is a sociologist and (inevitably), a Fellow of the World Academy of Art and Science. He writes as well as he paints. He is, in fact, a godly, fully alive specimen of Renaissance Man. In a world where ultra-specialists learn more and more about less and less he is needed.

So what does he have to tell us in this merely preliminary study of the demands on planetary resources that are implicit in nearly all the political movements running round wild today? First of all he gently

deflates the most-publicized prophecies of the most-publicized doom-watchers. We are not, it seems, going to breed ourselves into such a state of over-population that the year 2001 will see a million hungry Asians in hellish fighting for crusts of bread.

His own projections of 1971 have turned out to be right. The latest United Nations document on population growth, published in March of this year, admits that "for the first time in the experience of the United Nations, estimated population trends had to be revised downwards". What this could mean (the McHales make no claim to be prophets) is, as they put it, "to decrease population growth by even a small fraction of the available range of scientific and technological directions". The word "available" is the important one: at no point in this survey is there any flight into science-fiction and apocalyptic speculation. We have it all now. The question is: how to organize it?

Clumsily and blindly our world is beginning to reorganize itself, of course, and the consequences spill over into politics. Multinational corporations, many as many of my colleagues suspect, be owned and staffed by self-seeking villains. But they are also an organized response to the simple fact that the nation-state is no longer a viable insurance policy for running an economy. In the new world into which we stumble, the rest are national states. So what do we do? Stumble and blunder in politics, just as people like the McHales are in sociology. We can retreat from doom.

The reasons are given, and they are sound; but they would fill a volume. What emerges from this method of looking at the facts, however, is that, as societies change, their way of using resources also change. Many of the problems the doom-watchers have inflated into predictions of total disaster are based on the assumption that we shall, as a species, continue to behave for ever as we behave now. Yet even Asian families will change—in size and function—as their social and political environment changes.

There is no suggestion that we do not have a population problem at all. But "the Malthusian association of diminishing supplies of energy, food, and material resources with high population growth, however, is clearly untenable. The larger population growth is in those countries which use the least resources, have least food etc., . . . The only long-term alternative for reduction of population pressure would still seem to lie with improving their material standards and generalized expectations".

As with the population spectre so with energy supplies. It is what we waste rather than what we use that is the problem. We do not, moreover, go about discovering new sources efficiently. Our present industrial system, say the McHales after documenting the proposition, "is a rather primitive and unsophisticated mode of utilizing a relatively small fraction of the available range of scientific and technological directions". The word "available" is the important one: at no point in this survey is there any flight into science-fiction and apocalyptic speculation. We have it all now. The question is: how to organize it?

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The author is Labour MP for Ilkley.
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The slow process of Tory reconciliation

Conservative MPs will come to the next parliamentary session presenting to the outside world an impression of greater division than at any time within memory.

The appearance is of a party deeply split on personalities and policy. Mrs Thatcher is leader but not universally accepted as leader. The party in the country never wanted Mr Heath to be rejected. It was Mr Heath not Mr Thatcher whose contribution to the referendum campaign will be remembered. It was Mr Heath again whose speech on the White Paper was more praised than any other yet delivered in this Parliament.

It is not unknown for a Tory leader to be compared unfavourably with a predecessor who is also a former Prime Minister. That happened for some time to Mr Heath himself after he succeeded Sir Alec Douglas-Home. But one cannot recall another occasion when the supplanted leader has given scarcely a semblance of acceptance of his successor. That is not how the Tories normally manage their affairs, in public at any rate. To this vision of Mr Thatcher, spide—a division which emerged clearly in Mr William Whitelaw's handling of the opposition case in his televised response to the Government's anti-inflation policy—there is added the conflict over the dispute over incomes policy and monetarism has an ideological flavour that is again foreign to Tory tradition. That dispute is all the more divisive because in general it is those who are closest

to Mr Heath who are most in favour of incomes policy.

So it is not surprising that there should be all the talk of a leadership crisis, the king over the water, and so forth. Circumstances could indeed develop in which the most important fact about the Conservative Party is its separation into these camps. But the reality at the moment is that Mr Thatcher has made a contribution to British and/or European affairs, there is no general disposition to look for his return to the party leadership. A few may do so, but their numbers are often much exaggerated. More significant should be attached to those who are coming to terms with the new reality.

Reality is, of course, nobody can prophesy for a cataclysm. If economic disaster strikes Britain in the year ahead then a totally new political situation may be created. If the pressures of the new economic discipline prove too much for the political cohesion of the Labour Party then there could be unforeseen developments. But the political reality for Conservatives now is that there is one rational expectation: Mrs Thatcher will lead the party into the next election and that she will do so with a good chance of winning it.

This does not mean that she has yet won her battle for the hearts and minds of the Tory Party, in Parliament let alone the country. One still encounters supporters who wonder how her personality could be put across more appealingly to the electorate. Perhaps a little brighter packaging, it is suggested—though

one would have thought that Conservative leaders had learnt a lesson from the debacle among his old comrades. He is not doing anything to put them in a false position. But neither is he trying them to accept the reality of Mrs Thatcher's leadership. Yet among those who hold him in high regard and who believe that he still has in him to make a major contribution to British and/or European affairs, there is no general disposition to look for his return to the party leadership. A few may do so, but their numbers are often much exaggerated. More significant should be attached to those who are coming to terms with the new reality.

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Geoffrey Smith

"I don't speak to anyone for days . . ."

said Mrs Benning. The desperate loneliness was like a constant pain. Only the radio to talk to; no-one to listen.

The Day Centre made all the difference. "Coming to the Centre I have made new friends. I can't wait for the next visit," she says.

When you're old and frail small things count. The chance to sit and talk, or learn a new interest, or get a low-cost cup of tea and cake when life is hard on a pension. It sounds easy, but not when you're struggling alone in a cold dismal room.

Help the Aged flats for old folk are well known. But equally vital is the provision of more Day Centres and other practical help for the lonely at home and hungry old folk overseas.

£3 provides vital extra help for old people in a Day Centre; or sends nourishing meals to 20 old people near starvation in India.

£150 inscribes a loved name on the Founders' Plaque of a new Day Centre, and helps lonely old people find friendship, help and new interests.

£100 names a hospital bed in Africa or Asia, to benefit old people for generations to come.

In thankfulness for a home and friends, please send your generous gift in good time to: The Hon. Treasurer, the Rt. Hon. Lord Maybray-King, Help the Aged, Room T6, 8 Denman Street, London W1A 2AP.

Please let us know if you would like your gift used for a particular purpose.

The Times Diary

In search of a chef d'oeuvre

The Ivy has a good atmosphere: outside stood a superb vintage Rolls-Royce with a Zurich numberplate, proving that the rich can have Swiss bank accounts. In the dimly lit dining room lit by demure pink-shaded lamps we were greeted by the head waiter and wine waiter who were concerned that we should not be late for our show.

But I was shown the hors d'oeuvres trolley by a young foreign waiter who did not know salmon from a sardine. In fact he introduced something as "cod's roe" which turned out to be sauerkraut.

It was a disappointing selection: there was nothing on the trolley which could not have been brought in from a moderately good delicatessen, except for a delicious fresh salmon mayonnaise, curiously described as "fish" by the waiter.

The pâté was nondescript, the mushrooms tasteless, and I deplored the habit of chopping food up into dainty cubes, as, for instance, the smoked salmon was presented.

My companion said it reminded him of schoolboy treats at large hotels, but it only cost £1.50 which may prove to be cheap these days.

Redundant

Cyril Ray, the wine writer, has kindly congratulated us on our campaign (if it can be called that) against redundant words. But he has accompanied his

congratulations with 37 examples which he claims to have culled from *The Times* and *The Times Literary Supplement*.

He heads part of the list "the active-proposition and double-situation" and the examples there include "head up", "face up to", "meet up with", "lose out on" and 11 other phrases in which say *The Times* is using words not to be altered if the propositions were omitted.

He also says he found "this moment of time" (meaning now) in a *Times* first leader and "a nonsense", meaning nonsense, elsewhere. He also objects to "keep his cool", "personally friend" and "in actual fact".

The English language is evidently full of snares and pitfalls (or just snares if you prefer), and H. R. F. Keating, the crime writer, has warned us that we would be getting into trouble over "situations". Sure enough readers have been ringing enough writing busily every time the word appears in *The Times*, as though there were to be a complete ban on its use in any context. There was nothing wrong with "dynamic political situation" in the leader of August 21, for example.

Keating's view is that the use of the word situation with an adjective noun or phrase is a handy way of saying "a position in which something is likely to happen".

That is not, though, how an Australian senate committee used it when they condemned

a "conflict of interest situation" which had given rise to insider trading in mining shares; or the BBC newscaster who said on Radio 4 that Thatcher was in "a Pacific situation".

A little disaster hit our coverage of the disaster at the Edinburgh Festival yesterday too. Ludovic Kennedy and Maura Shearer were reading from Lady Antonia Fraser's anthology of Scottish love poems when we had a technical problem. Vivian Merchant's place, reading from *Is Anybody There?* next week, has been taken by Judi Dench. Apologies to all concerned.

Atrocities

There has been a steady flow of letters vilifying careless anglers since we reported that discarded hooks and lines had almost wiped out the cyprinids on the Skeneburne this year. People think fishing there should be banned, and anglers everywhere taught to take their litter home.

Molly and John Burket of the National Wildlife Rescue Service say that their animal rehabilitation centre in Lincolnshire expects to receive between 30 and 40 fishing line victims a year. One heron caught in a fishing line which became tangled in brambles had cut through the bone of one leg and two toes in its struggles to free itself, and had to be destroyed.

Other cases they have seen recently included a swan whose beak had become so entangled that the bird could no longer eat and was close to death from starvation, and a tawny owl caught in an elm tree with line so tightly tangled round it that it could not move and was taken for dead.



"It's alright, sir. It's one of these."

Equally distressing reports from other sources have concerned cormorants, blackbirds, pigeons and even a pet cat (which survived).

There has been just one card from a responsible angler. The Hon Mrs Alice Parsons has confessed that once, while fishing a Scottish loch, she had for lunch and left her rod and line with baited hook on the bank. When she returned she found a waterhen had swallowed the worm and hook, and she had to teach her husband to kill the poor bird. A grisly tale which may serve as a warning to others.

Delicate

The BBC still hope that a soft answer may turn away wrath. Colin Shaw, the chief secretary, has just sent Ernest (husband of Mary) Whitehouse an explanation of how God came to

be described in the programme *Beneath* as a "Pommy bastard". "Humour" is a flower, he writes, that Whitehouse could do with. He thinks that this rather strong word is a completely force behind it if you think that it came at the end of the Englishman's match of 1956 played at Twickenham, and won by the somewhat unexpected circumstances owing to freakish weather conditions. Shaw adds that "bastard" is an "aff colloquialism" in Angus that the producers thought that anybody watched more than programme and not off could possibly be so offended by the. The Whitehouse's found the letter a lot than the programme.



The advice on this tonic water, on sale in characteristically precise and reassuringly relaxed

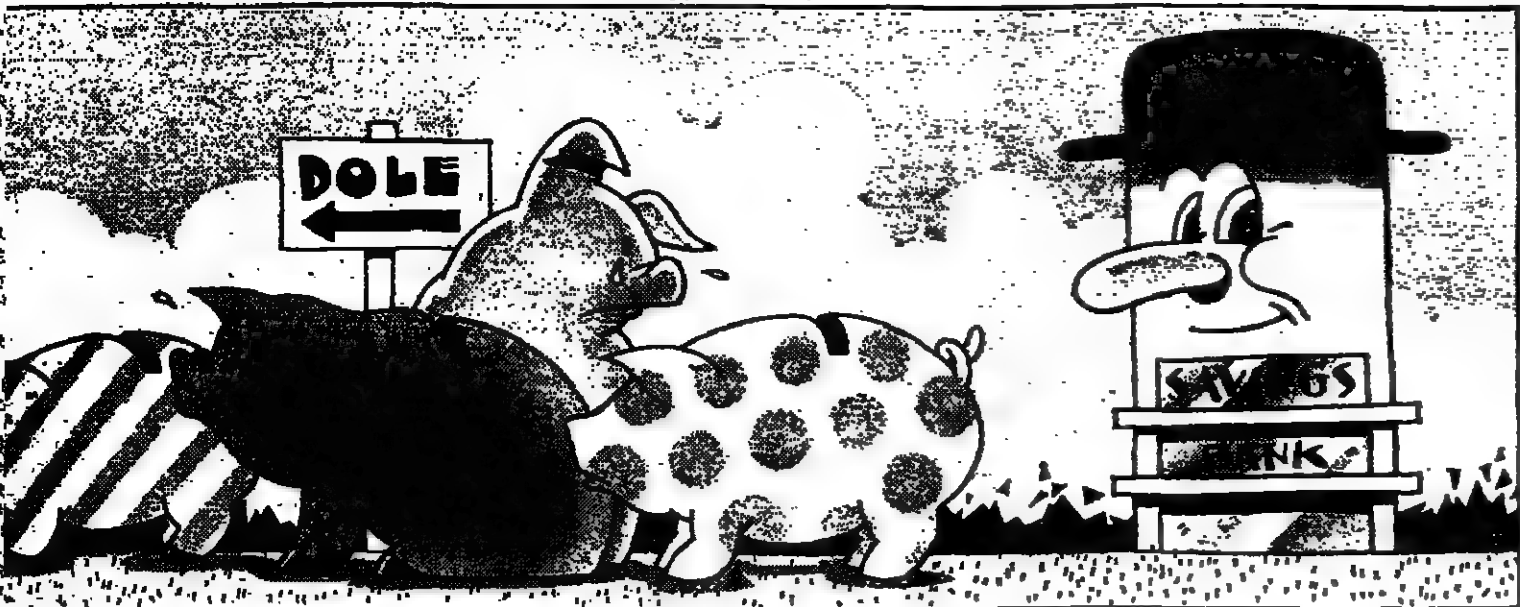
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a Special Report to mark the eleventh International Savings Bank Congress which opens next week in Bogotá

Savings banks



Malcolm Harrison

Fears of uncertain future bring in the cash

by James Mulchrone

most countries—the notable exceptions being the United States and Iran—some savings bank system now exists. While many of these banks arose at different times, the North European social banks of the early nineteenth century, Scotland, and Denmark provide the strongest contenders for the title "father of savings banks".

Savings banks have come a long way since the early days of Robert Owen's "Penny Bank" in Manchester, which was used to look after the savings of the local poor in the early days of the Industrial Revolution. The growth of the international movement of 1975 savings banks can be judged by the fact that next week representatives of savings banks from 20 countries are meeting at the start of the eleventh International Savings Bank Congress in Bogotá, Colombia.

At present their size throughout the world banks of £181,000m) the savings banks face formidable problems. Not surprisingly, they name inflation as the prime worry. It is the traditional enemy of the small saver, causing a negative effective return on investments and a real erosion of funds. But as far as the banks' own fortunes are concerned, most now say that increasing unemployment has taken over from inflation as the dominant factor in the customers' mind. Working people, among whom the savings banks' strengths lie, are saving against future uncertainty, whether the return is slightly negative or not. The deposits of the banks are now swelling again both because people are saving again and because inflation is beginning to abate.

All this has caused the savings banks to breathe a sigh of relief. Many of the world's savings institutions invest in longer-term stocks or fixed-term mortgage loans. Obvious difficulties occur if, as last year, there is a high and sustained level of withdrawals. Savings banks in less developed countries, indeed, the theme of next week's conference is "Partners for a Developing World". Many of the banks set up under ISBI (International Savings Bank Institute) are agricultural banks funding rural development programmes. Perhaps the beginnings of some European savings banks as providers of credit for farm seed has subconsciously stirred them to this kind of Third World endeavour.

But the international savings banks have not yet succeeded in setting up their international central banking institution, despite years of discussion. There have been, however, some cooperation successes, such as the setting up of the Banque Nord-Europe as a partnership between the former Nordic Savings Bank's central banks and the Westdeutsche Landesbank Girozentrale, and the recognition of the ISBI by various United Nations organisations. However, much work remains, in particular towards the acceptance of savings banks into such organisations as the IMF.

On a European level, the savings banks have formed an effective EEC lobby group in Brussels watching over the successive regulations emanating from the Commission on the harmonisation of banking laws.

The bonds linking the international savings banks are quite loose, a factor arising from the varying nature of the banks themselves, ranging from the massive State Savings Bank of the Soviet Union to small local banks in many countries of Europe and North America. Looking then together in the fact that they are mutual organisations (non-profit distributing) and aim to act with social responsibility, in the public interest.

Normally they operate in well-defined regions, not competing with fellow savings banks; but this ethos has recently been under some strain in Germany with city-

based banks feeling that with the movement of housing, and hence factories, to the suburbs they cannot cover only for a dwindling city-centre market and so have set up branches outside their traditional zone.

Another fairly common factor among savings banks has been their contribution to public sector funding, often receiving a government guarantee and depositors' personal tax concessions in return. Tight control of investments usually accompanies this system and now the savings banks are looking to more profitable areas for investing their funds.

On a national level, the co-operation between savings banks has been increasing, particularly in wholesale (central) banking, automation and marketing. With the several hundreds of savings banks, for instance, in Germany and Sweden, the need for these central institutions is obvious.

This greater level of co-operation has been largely as a result of commercial banks beginning to operate very strongly in the middle market. Across Europe, somewhat of a battleground has developed with all national banking institutions realising that the fastest real earnings growth was in the middle market, added to the fact that many of the people concerned are still without bank accounts. This was added to the knowledge that increasingly, both factory and office workers are being asked to accept wage payment in a non-cash form. The attention of the commercial competitors was thus firmly focused on the savings banks' traditional customer.

Many social trends, such as youth's rejection of big business units amid the rise of consumerism, should point to a rosy future for the savings banks. Provided they continue to regard the saver as an individual whose needs they exist to serve, rather than merely a source of future business, their present success will continue.

Independence rewards virtue

by Margaret Stone

Early in the next session of Parliament a Bill is to be introduced which will give formal recognition to the already accepted fact that the trustee savings bank movement is about to cut itself away from the apron strings of national savings to become a third and independent force in domestic banking.

It is over two years since Sir Harry Page reported the findings of his committee which had been set up to investigate national savings. Whatever the Government had been expecting from this inquiry, one surprise was not the thoroughgoing attack on national savings and its associated institutions which emerged. The trustee savings bank movement was almost the only part to be given a clean bill of health. The reward for virtue was at first a little strong on stomach. Quickly, the trustee savings banks accepted the Page suggestion that they should become independent. What's more, the Government also approved the suggestion.

A full-time working party, chaired by Mr Tom Bryans, the general manager of the Northern Ireland Trustee Savings Bank, who was later to be appointed the chief executive of the new central organization for the new trustee savings banks, was immediately brought into action. It liaised with the Government and, after a hitch caused by the change of government at the beginning of last year which meant going through the whole business again with the incoming Labour Administration, a year later the new proposals for the trustee savings banks were unveiled.

The broad outcome of the proposals was that the Government agreed that the trustee savings banks should be empowered to develop along the lines recommended in the Page report with the proviso that there should be a principal structural change resulting in the reduction of the number of individual banks from 72 to 15 strong regional banks. In addition, a new central body was to be set up which would basically take over the powers, such as inspection, at present exercised by the Government.

It was reckoned that about 10 years would be the minimum transition period during which time the banks would phase out their investments in the Fund for the Banks of Savings and gradually disperse with fiscal aids,

such as being able to offer tax-free interest on ordinary accounts. During the transitional period the Government intends to retain sufficient powers of control and intervention to protect depositors.

Condensed into a paragraph or two, the new *modus vivendi* sketched out for the trustee savings banks possibly appears less daunting to accomplish than it is the case. What is amazing is that so much has already been achieved smoothly. The delay in introducing legislation to give the trustee savings banks the necessary go-ahead might have caused doubting outsiders to wonder if all was well. Those within the movement accepted the delay for what it was, another casualty of the parliamentary log-jam, and got on with the job in hand, even though the enabling legislation was officially not yet there.

Inevitably, activity has so far centred on securing the two essential structural changes required: the reduction in the number of individual banks and the formation of a new Central Board.

The idea at first was that the number of individual banks would be reduced from 72 to 15 together with the Birmingham Municipal Bank. In the event it has proved easier to go for a new total of 17. The amalgamations have in some instances embraced half a dozen or so banks, in others only two have joined together to provide a new regional bank. With a duplication (at minimum) of trustees (the equivalent of non-executive directors) and senior managers, it is no mean triumph that the reduction has occurred, with possibly one exception, with so little fuss and bother.

The creation of a central body and finding a suitable incumbent for the role of its chief general manager was certainly the more difficult task in as much as there was little foundation to build upon. The Trustee Savings Bank Association has been in existence for many years but the Central Trustee Savings Bank—the bank of all the trustee savings banks and its future clearer—is only two years old. Other centralized functions, such as the unit trust group and computer services are also fairly recent innovations. Another problem is the delayed legislation meaning that the central organization has had to begin its planning function in ad-

vance of possible changes which the actual legislation may involve. After advertising the post of new chief executive in spring, the appointment was made in May. Although there had been applicants from outside the trustee savings banks movement, it came as no particular surprise to find that the job had been given to a chief general manager of one of the trustee savings banks.

Mr Tom Bryans, apart from heading the working party for independence, is also one of the movement's computer experts and a banker with strong views about the automation which must increase in banks. His view is that book-keeping is not banking; freeing staff from these chores in order that they may give time and attention to depositors' financial problems is banking. In future the trustee savings banks will be able to offer their customers loans as well.

It is beginning to emerge that the Central Board will have responsibilities for six important divisions: computer services, business development, inspection, personnel, finance planning and the financial services offered by the Central Bank and unit trust and life assurance group. It has new offices in the City, close to the Bankers' Club House. Its relationship with the 17 regional banks can best be described as the capital of a federated state. Each of 17 banks will have a trustee on the board to help to coordinate policy.

Some might argue that it can be only a matter of time before the proposed federal structure gives way to a single identifiable trustee savings bank. However, this tends to ignore the fierce local pride of the individual banks which have already had to accept mergers into regional banks. It also ignores the amount of more important work the trustee savings banks have to do.

First and foremost is the expansion of the banks' national network of 1,560 branches and the continuous need to attract more customers. As more than half the adult population is still without a bank account, the trustee savings banks with their strong tradition of service and friendliness are looking forward in pushing well ahead on this front.

The author is Personal Finance and Investment Editor, *The Times*



Greek Post Office Savings Bank

The Greek Post Office Savings Bank, one of the country's most important organisations, constitutes an independent public service, both administratively and economically decentralised.

Financially independent, the organisation draws up its own budget and comes under the competence of the Minister of Transport and Communications.

Its basic targets are:

First, the promotion of saving among all classes of the Greek people, with the objective of attracting savings in the form of deposits, and

Secondly, the transfer of these deposits, in the form of credits, to individuals, for the acquisition of their own, and to corporate bodies, for the implementation of productive and public utility projects.

The Post Office Savings Bank accepts interest-bearing deposits of various categories, and more specifically:

- (1) Deposits of usual savings, at an interest of 9%.
- (2) Deposits under three-month notice, at an interest of 9.5%.
- (3) Deposits of usual savings, in foreign exchange 7.5%.
- (4) Deposits under three-month notice, in foreign exchange 8%.
- (5) Deposits of current accounts, at an interest of 4%.

All deposits are state guaranteed.

The most important category of deposits is the list of the above. Persons in the possession of deposit orders of this category may carry out transactions at the 88 branches of the organisation and the 750 out offices offering savings services. These are scattered throughout the country and many of them are open on Sundays and holidays.

It is indicative of the confidence shown by Greek savers in the Post Office Savings Bank that its deposits, totalling 2,374,000 persons on June 30, 1975, represent approximately a quarter of the country's population.

The fact that deposits with the Post Office Savings Bank, which amounted to Dr 42,135,000,000 on June 30, 1975, are approximately equal to one-fourth of the State Budget, shows the size and importance of the organisation, which participates with 28% of the amount of savings bank deposits of all credit institutions in the country.

The investment of this important amount of proceeds of savings, mainly by the middle and lower classes with the Post Office Savings Bank, is carried out within the framework of its statutory powers fixed by the state monetary authority—always with the criterion of full safety of the invested capital and the serving of purely public utility and productive activities.

The gathered capital is allocated for loans as follows:

- (1) To individuals against the mortgage of values. These loans are due in three months, but may

be extended each time for another three-month period; their rate of interest amounts today to 8%, that is to say, it is smaller than the deposit interest.

(2) To individuals for the acquisition of a home and to public organisations for the implementation of public utility development projects.

Individuals entitled to a loan include civil servants, state pensioners and employees of corporate bodies under public law. These loans are repaid within 25 years and are presently granted at an interest of 8.5%. The fact that 50,000 salaried persons have so far acquired a house on the strength of mortgage loans from the Post Office Savings Bank, at a total of Dr 11,104,000,000, provides a measure of the organisation's contribution to the state's social policy.

Public utility state organisations which have obtained loans from the Post Office Savings Bank include the following:

- (1) The Public Power Corporation for the strengthening of the electrification programme.
- (2) The Greek Telecommunications Organisation for telecommunication projects.
- (3) The National Road-Building Fund for the strengthening of the country's road-building programme.
- (4) The School Buildings Organisation for the promotion of the programme of erection of school buildings throughout the country.
- (5) Regional Authorities and Port Funds for Port and various other projects in the provinces.

These loans are granted at an interest rate which is proportionate to that of the deposit interest.

Today, the rate of interest for grants ranges from 10.5 to 11.5%. The usual period of these loans is 15 years. The sum allocated for these loans up to June 30, 1975, totalled Dr 28,600,000,000. In addition to the above basic form of redepositing the capital gathered by the organisation, this capital is also conveyed:

- (a) To the purchase of bonded loans floated either by the state or public organisations.
- (b) To loans of the state by the purchase of interest-bearing bonds.
- (c) To redeposits with various private banks to strengthen commerce, industry and handicraft.

In other sectors of its activity, the Post Office Savings Bank offers services to assist state pensioners by cashing their pension cheques through the branches and Post Office Bureaux throughout the country. It also operates a service of safe deposit boxes which are open throughout the day, to improve the service, particularly for the commercial world.

As regards its organisation, it is moving ahead at a rapid pace towards complete computerisation of all its services and the modernisation of its method of conducting transactions with the public.

On the basis of the above facts and the steadily expressed confidence of the public in it, the Post Office Savings Bank looks to the future with optimism and has the ambition to contribute to the efforts made by the government for the creation of real prosperity and progress of the Greek people, within the framework of the pleasant conditions which have been created by the re-establishment of democracy in the country.

Homes put societies in the lead

Competition among Britain's savings institutions never ceases but their attractions are now so much in evidence, for example, that National Savings, so long castigated as the villain in the savings movement, is enjoying unprecedented popularity with its two forms of index-linked savings. A total of £100m of the retirement bonds have been sold and 133,000 SAYE accounts, worth £2m a month, since June and July respectively.

It is also perhaps ironic that the trustee savings banks, whose funds have done so much to keep up the level of National Savings, should be excluded from participating in the index-linked schemes, the first winners that National Savings has had since the introduction of the Premium Savings Bond in 1956.

On balance, however, one suspects that the trustee savings banks relish the thought of their forthcoming freedom from the ever too much to worry unduly about being barred, for that reason, from the latest additions to the National Savings range.

The table on page 11 was taken from *Personal Savings and Wealth* (an Economist Advisory Group Research Study, published by the Financial Times). It is the largest survey of savings undertaken in Britain and the first major study on the subject for 10 years. The table gives a very clear guide to the important trends in personal savings in Britain since 1951. Heading the list are building societies, followed by life assurance with the trustee savings banks in third place, closely followed by the growth of clearing bank accounts.

From a very small base in 1950, unit trusts have made great progress and there has also been a threefold increase in pension funds since then. National Savings, excluding the trustee savings banks, are a very poor runner.

Building societies have gained their preeminence in the savings market because of increasing affluence and therefore increased desire for home-ownership. Owner-occupation has gone up from 27.8 per cent of all dwellings in 1953 to 52.2 per cent of all homes in 1973. The demand for home-ownership continues and the easiest way of obtaining a mortgage is to save with a building society. In addition, the safety and security offered by societies plus their uncomplicated pro-

continued on page 11

ITALIAN SAVINGS BANKS



3,350 branches all over Italy

25,000 billion Italian Lire of deposits


19 billion Italian Lire in accounts



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Frankfurt, Mainz, London, New York

Six figure clients join smaller savers

by E. A. Ostro

It is easy—and even fashionable in some circles—to assert that savings banks are outdated, relics of an era long gone when commercial banks looked down their collective noses at the lower classes whose savings were counted in pennies instead of pounds.

Now that the big banks woo small accounts with almost as much gusto as they court wealthier clients, why are savings banks—no longer the sole financial institutions that would look twice at small deposits—not counted in the thousands or at least in the hundreds?

Savings banks have grown rapidly in the past several decades, both in size and advancement. In addition to their traditional clients, the so-called "smaller savers", many now serve commercial, industrial and professional clients whose accounts run to six figures. At one recent seminar of savings bankers, profits were the fulcrum of attention, with somewhat scoffing and patronizing remarks reserved for the savings banks' tradition of community service. Savings

bankers, just as any other bankers, like to show profits above all else at the close of the financial year.

It is perfectly true that savings banking has grown from a localised, wholly community-oriented service to a factor in national and international finance. In West Germany, for example, the savings banking sector—including savings banks, public building societies and regional savings-cum-giving institutions (*Landesbanken*)—is the largest and richest grouping in the banking structure. It comprises 710 savings banks with combined assets of DM285,000m, 14 regional giro institutions with some DM225,000m in assets, and public building societies worth nearly DM30,000m. Even dividing the savings banks' assets among their 16,300 branches makes each one worth DM17.5m, not exactly small by any yardstick.

Britain's trustee savings banks are the third of a comprehensive reorganization that aims to make them a more powerful "third force" in British banking. Their unique trustee status will be all but obliterated, but they will be rewarded with much the same powers as the commercial banks: access to clearing houses, fewer limitations and obligations in their banking activities, and the all-important power to extend personal credit.

In the United States and in France, savings banks are laboriously acquiring rights to offer their clients a greater variety of banking services including, often for the first time—chequing accounts. These powers have long been established for savings banks in Italy, Spain and Scandinavia among other areas.

There seems little doubt that banking is acquiring a more uniform face, both nationally and internationally.

But as Sir Athelstan Carle, chairman of the Trustee Savings Banks Association, said in an interview published in the current edition of the *International Savings Banks Institute's* quarterly magazine, *Savings Banks International*, "We shall not become commercial banks. We shall be serving the individual and commerce as well as each other. But we're not

there for the purpose of making a profit. We are serving the community on a mutual basis. And so we are different and we intend to be different."

Along the same line, Herr Helmut Geiger, president of the *Deutscher Sparkassen- und Giroverband* (the German Savings Banks Association), pointed out recently in *Savings Banks International*: "It has proved very useful to have two large competitive systems side by side. On the one hand you have the large commercial banks... that devote themselves in particular to the financing of industry and foreign trade. On the other hand you have institutions with strong local or regional links which, by virtue of their statutes and of their business objectives, concentrate on savings."

The preservation of two large groupings—in some countries three—formed from savings banks, cooperative credit societies and commercial banks... "I would therefore definitely advise the preservation of this distinction. The preservation of two large groupings—in some countries three—formed from savings banks, cooperative credit societies and commercial banks...

These two leading figures in savings banking have pinpointed savings banks' continuing raison d'être: the less well-to-do still need institutions geared to their needs for saving money and for borrowing money. And the savings banking structure acts as a healthy counterweight to the commercial banks, which would, left to their own, unfettered way but for the competition of an essentially parallel and similar banking sector.

One has only to look at the decline in services offered by monopolistic institutions to realize how critical this element of competition is in dealing with people's money.

Savings banks, with their strong local ties and with their image of small, per-

sonalized service, are increasingly attractive to younger people, who are "turned off" by the impersonal service of many larger commercial institutions.

Finally, savings banking has an important role to play in the underdeveloped world—a role that could be greatly enlarged. Genuine savings banks, where they are allowed to exist, tend to keep savings on regional and local levels, using them for sorely needed credit then and there, for smaller agricultural, industrial and commercial development and for personal credit. Of course it takes a degree of awareness frequently not apparent in many nations to encourage institutions that act as counterweights to governments, so that all too often genuine savings banking is bastardized into central accumulation of savings falsely billed as savings banking.

From the days of the first United Kingdom savings bank in Scotland, more than a century and a half ago, genuine savings banks have been obliged, usually by law, to lead a substantial portion of their deposits to the communities in which they are situated, and to register institutions within that area.

If commercial banks have been doing the same thing on a much larger scale and for much longer, they have never provided the check to centralized and often arbitrary use and misuse of bank deposits, as have savings banks.

Much of this may be quite marginal from the point of view of the developed world. After all, the vast bulk of the \$400,000m of deposits in the savings institutions that are members of the International Savings Banks Institute are in the developed world. That is where the action is.

Yet the growth potential in the developing nations of Africa, Asia, South America and Oceania must not be underestimated; the ISBI's World Congress of Savings Banks in Bogotá, Colombia from September 1-4 testifies to the importance attached to such growth by the world's major savings banks, almost all ISBI members.

The author is Director of Information, International Savings Banks Institute.

Homes put societies in the lead

Assets largely owned by individuals

Category	Year ending March 31			
	1951	1961	1971	1974
National savings certificates	2,170	2,654	2,508	2,567
Defence bonds, national development bonds and British savings bonds	934	1,059	756	868
Premium bonds	—	310	810	1,020
SAYE (Dept for National Savings)	—	—	30	180
National Savings Bank	1,926	1,737	1,795	2,096
Trustee savings banks	814	1,359	2,635	3,413
All national savings	6,130	7,324	8,805	10,474
Life assurance funds (book value)	Year ending December 31			
	1950	1960	1970	1973
Superannuation funds (market value)	—	3,172	9,980	12,022
London clearing banks: current accounts	4,221	4,296	6,625	21,632
deposit accounts	1,839	2,588	5,576	—
Unit trusts (market value)	—	301	1,991	2,080
Building societies	1,256	3,166	12,919	17,556

*March 31 1973 for local authorities, and 1972 for others.

Source: Personal Savings and Wealth in Britain, and EAG Business Research Study.

continued from page 1

duct, tax-paid in the hands of the investor, has in the past assured the societies of a good stream of funds, albeit not always sufficient to meet mortgage demand.

However, changing attitudes to savings both by the public and the institutions, mean that the building societies' world is no longer as comfortable as it was. Investors are becoming more discriminatory and the societies attract and equally quickly lose large amounts of money which are moved from one savings home to another. Consequently, the societies last year were faced in two successive months with a net outflow of funds for the first time in the established history of the movement. This year, interest rates moved in their favour, and net receipts reached a record £406m in April. The increased susceptibility to interest rates in general is likely to continue and building society investment rate changes could be more frequent.

Number two on the list of the most popular forms of savings is life assurance. Gooded into greater activity by the thrusting attitude of newer life offices, offering policies linked to unit trusts and property bonds and so on, and benefiting from the increasing awareness of the income tax reliefs associated with life assurance, the industry has enjoyed a boom. But it has ended on a sour note with the collapse of Naxos Life and the near failure of others.

The repercussions of the first failure of a life office within living memory will take time to filter through, but they will. First, the cost of the rescue fund proposed in the Policyholders' Protection Bill will be met by future policyholders. Second, the industry will enter a cautious phase in respect of the new insurance themes, it chooses to offer in the future. In other words, we can look forward to a greater emphasis perhaps on insurance as protection rather than insurance as investment and possibly less aggressive selling.

Another industry which has achieved the aggressive approach is the clearing banks. The heady days of competition and credit control, introduced in 1971, are over. The clearing banks, after a massive search for customers and prospective borrowers, are counting the cost of spreading down-market.

The fact remains that more unit trusts, life plans, and so on, soon be in the personal loans in able to provide a comprehensive cure savings and credit customers. Unlike the clearing banks, the trustee savings banks have developed a wide range of ancillary savings services:

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HEAD OFFICE
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REPRESENTATIVE OFFICES: A
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GRESHAM
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NEW YORK 10022 N.Y. 375 PARK

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by Peter Norman

W Germany

There are about 710 savings banks dotted throughout West Germany. With a network of slightly more than 16,000 branch offices, of which nearly half are one-man operations, it is easy to see why the savings bank movement depends mainly on its 12 regional central banks, the *Landesbanken Girozentrale*, for conducting the foreign business of its clients.

Few West German savings banks run international departments. The main exception is the *Ramburger Sparkasse* which in terms of its balance sheet total of about DM 10,000m (about £2,000m), happens to be twice the size of the local *Landesbank Girozentrale*. But one must look to the West German financial centre of Frankfurt to find anything on a similar scale. There the two local savings banks also maintain foreign departments, but for the rest of the German savings bank network it is fair to generalise and say that the local *Landesbank Girozentrale*, of which there is generally one for each federal state, is the savings banks' window on to the outside world.

On the foreign side, the *Landesbanken Girozentralen* have been able to accumulate the necessary experience required to offer a client at the smallest savings bank the service that he wishes. In contrast to countries like Japan, where the import-export trade is channelled primarily through large corporations and trading organisations, a surprising amount of Germany's foreign trade remains the preserve of the small to medium-sized company which is often a client of the local savings bank.

The regional central banks of the savings bank organisation are able to offer an extensive network of correspondent banks abroad. The services they offer range from providing letters of credit and documentation to international payments traffic, the purchase and sale of precious metals, foreign exchange dealing and forward exchange cover, advisory services and the provision of trade information.

However, in international business the *Landesbanken Girozentralen* also do a great deal more. The past few years have seen a dramatic increase in the scale of their operations abroad. *Westdeutsche Landesbank*, for example, has a branch office in London and representative offices in Beirut, Melbourne, New York and Tokyo.

It was one of the founders of the Orion international banking group, of which the National Westminster Bank is also a member, and is a partner in the *Laura Bank*, which specialises in business in Latin America. The *Westdeutsche* has a subsidiary in *Banque de Crédit Inter-*

bank in Luxembourg and holdings in two Luxembourg-based and two Paris-based banks. It is active in the Eurocurrency markets and a leading underwriter of new Eurobonds.

Clearly such a wide range of activities on the international front did not arise through merely serving the requirements of savings clients in North Rhine-Westphalia. The *Westdeutsche* and the other *Landesbanken Girozentralen* have pursued a deliberate policy of expanding their foreign business in recent years and in so doing have increasingly assumed the character of "universal" banks.

In part the expansion into foreign banking results from the rather peculiar constitution of the *Landesbanken Girozentralen*. A bank like the *Westdeutsche* does not just perform the functions of central bank for the various savings banks in its particular state but is also obliged to help to finance the state and its municipalities. In so doing it is authorized to carry out all forms of banking business.

In their role as financing institutions for their home states, the *Landesbanken Girozentralen* are important forces in the domestic German capital market. With the emergence and development of Eurocurrency and Eurobond markets it was natural that their activities should spread outside Germany's borders.

The *Landesbanken Girozentralen* are profit-oriented institutions. International business happens to be one of the more profitable sectors of banking besides allowing best use of individual knowledge and equipment. Furthermore, the spread of international trade and contacts in the past 25 years has meant that the German savings banks and their *Landesbanken Girozentralen* have had to expand their international services to avoid losing customers to competing private banks.

As Herr Ludwig Poulain, chief executive of the *Westdeutsche Landesbank*, said in a recent interview, the international activities of savings bank clients in West Germany must simply break off its service at the national frontier.

But the expansion into foreign business has not been without difficulties for the savings bank and their regional central banks.

The *Landesbanken Girozentralen* are newcomers to the international banking scene and have not been able to exploit the long years of contact abroad cultivated by the large private banks. Also there have been some costly errors. Last year the *Westdeutsche* lost DM 270m on the foreign exchange market while the *Hessische Landesbank* purchased a holding in *Banque de Crédit Inter-*

national of Geneva was one of the many reasons behind the loss totaling DM 1,800m in 1973 and 1974.

The *Hessische Landesbank's* abrupt participation and later withdrawal from BCI together with its heavy losses in speculative building projects in West Germany, raised the question whether the *Landesbanken Girozentralen* should not return to their original function of simply serving the savings banks, municipalities and regional governments of their respective states.

The author is *The Times* European Business Correspondent, Bonn.

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Pumping more liquid assets into economy

by Richard Wigg

France

Two years ago one of the best known big French commercial banks had a striking deposit account advertisement showing a vigorous young bank manager who declared: "your money interests me".

Nowadays young people do not interpret such an advertisement as expressing willingness to give sound advice on where to place savings by an institutionalized and uncle, but rather as a wish to profit from pumping more liquid assets into France's booming economy.

That, at any rate, is what the French savings bank movement reckons it has discovered from an in-depth survey the Union Nationale des Caisses d'Epargne conducted this year. This was designed to discover the attitudes of French people, aged 16 to 20, to savings and money matters in general.

The survey, whose full results have yet to be made public, showed that a fundamental characteristic of young French people's savings bank movement—the obligatory transfer of part of deposits as

loans to the local authorities to help to finance their social services projects and housing—appeals considerably to young people. However, many do not know about the transfer and were surprised to learn that their local Olympic swimming pool or sports facilities, which have blossomed widely in France since the 1960s, were financed out of the Caisse d'Epargne savings. Thus the Frenchmen's well-known resistance towards local taxes is at least countered.

The mechanism for this aid is that financial eminence, the Caisse des Dépôts et Consignations, the government agency dominating the workings of the French capital market.

Roughly half the capital sums managed by the Caisse des Dépôts (amounting to 225,000 francs at the end of 1973) came from the Caisse d'Epargne. Some 60 per cent of the local authorities' programmed investment comes through Caisse des Dépôts loans.

Some of these loans, at 8 per cent for 20 to 30 years, compared with today's market rate of 13 to 14 per cent over 15 years, are allocated on a regional basis

under the 1950 Minox law, by the Caisse d'Epargne so that a local community benefits from the deposits collected by the region's caisses.

There are two sorts of savings banks in France—the Caisse d'Epargne or Prévoyance which started at the beginning of the nineteenth century under British inspiration (the first, that of Paris, dates from 1818), and the Caisse Nationale d'Epargne, the French state post office savings system.

Grouped under the symbol of the Squirrel the 503 autonomous Caisse d'Epargne (with a network of 5,000 branches) accounted at the beginning of this year for 48.3 per cent (124,000m francs) of total French savings banks deposits, compared to the 26.8 per cent (68,000m francs) in the Post Office savings system, and 24.4 per cent (62,000m francs) in savings accounts with the commercial banks.

The French savings bank scene of the past few years has been essentially characterized by the battle between the Caisse d'Epargne and the commercial banks, each competing to tap that abiding and profound French instinct to put something

aside. The survey of the 16 to 20 year olds illustrates the same theme: the "Squirrel" banks wanted to find out how to retain their savers. Statistics show that while they command 63 per cent of young people's accounts at 16, by the time they are 20 the percentage has dropped to 40 per cent in the commercial banks' favour.

The modern marketing methods of the French commercial banks, largely copied from the United States, forced the Caisse d'Epargne, which had been slumbering on a near savings monopoly for a century and half, to counter-attack. But this was not easy, for their legal status enshrined a non-lucrative concept, redolent of the early nineteenth century, that of benevolent gentlemen looking after the hard-won savings of "the excruciating and economic little folk"—to quote the founding statute of the Paris caisse.

The obligation to consign its deposits to the Caisse des Dépôts (with the proviso they must not go to aid private firms), coupled with a state guarantee only further encouraged this non-commercial spirit.

But two laws, passed by the French Parliament in

July 1971 and January 1972, particularly providing for the creation of savings councils, enable the caisses to arm themselves to meet the banks' competition which began when they instituted their own savings accounts.

This modernizing tendency has been continued and at the June National Congress of the Caisse d'Epargne M. Jean-Pierre Fourcade, France's Economics Minister, who exercises the ultimate tutelage over the savings bank movement, announced that from next spring the "Squirrel" savings banks will be able to issue their own cheques. The Caisse Nationale already has the postal cheque system.

The reforms have also brought a widening in the services the Caisse d'Epargne offer, with the standard "Book A" account (deposit earning 7.5 per cent free of tax up to a limit of 25,000 francs), and the backbone of the traditional system, supplemented today by house-saving accounts and the two "Sicav" (French unit trust schemes), one geared to income (Nouvelle France) and the other to capital growth (Livret Portefeuille).

EEC counts its millions

by Klaus Meyer-Horn

There are 1,717 savings banks throughout the EEC. Between them they have more than 32,000 branches and, to judge by the number of passbooks in circulation, 150 million customers. From a balance sheet of about £106,000m at the beginning of June this year, the savings banks were managing £75,200m in savings deposits, £14,100m in current accounts and £4,400m in fixed deposits, making a total of £93,700m in private deposits.

These vast amounts are the sum of millions of small accounts, the average balance for each passbook, on which deposits and withdrawals are regularly made, being about £500. Considerable differences also exist from one country to the next as regards legal forms, organization and business structure: savings banks exist not only as private foundations, associations and co-operatives, but also as municipal and state institutions (apart from Belgium and Luxembourg, where centralized state savings banks operate nationally).

Most of them cover a regional or even only a local area, as in Germany, Italy and France where the principle of limited territorial coverage is embodied in the law and lays down that every savings bank has its own business area and may not encroach on that of another.

In recent years many local savings banks have merged to become regional savings banks, particularly in The Netherlands and in Denmark, where the number of savings banks has been halved during the past 15 years. Indeed, the number of banks has fallen to about three-quarters of the 2,400 in existence when the EEC was established in 1958.

British savings banks differ from most of their Continental counterparts, though the most closely related are the French, where the banks' funds are administered by a central state institution, the Caisse des Dépôts et Consignations, a body much akin to the National Debt Office in Britain. However, for some years they have been increasingly granting their own loans (personal and mortgage loans, and loans to local authorities) and, in some cases, offering schemes in their local areas which might be financed through their central institution.

By granting loans on their own initiative, the French savings banks aim to evolve into family banks similar to the type which already exists in The Netherlands and is being developed in Ireland. In the other Community countries there is little or no difference between the savings banks and the commercial banks as regards services offered and business transacted: they grant every kind of credit, not only to private individuals but also to industry. While some of them have built up a considerable foreign and stock exchange business, though most of that is taken on by their central institutions.

The difference between the commercial and savings banks lies less in the services they offer than in the type of customer they attract, the difference being that they do not strive to achieve the highest possible profit. Indeed, any surplus that they make goes into the building up of their own funds or is spent on financing projects for the benefit of the local community.

Their main concern is also to advise the economically weaker members of the Community (mainly workers and small and medium-size firms) in all money matters and to help in the financing of such municipal schemes as housing, building hospitals, schools, roads and local amenities, as well as to grant credits to boost the local economy. The customers of the savings banks are therefore in the main private individuals, local authorities and small and medium-size firms.

In the early years of the EEC, the differences which now exist between British, Irish and French savings banks on the one hand and those of the remaining countries on the other were considerably greater. The fact that the gap has progressively closed is due in no small measure to the regular practice of exchanging information and experience which has been carried on between the EEC savings banks since 1963.

An example of such new developments is the introduction of cheque accounts in Belgium and Holland and the issuing by the savings banks in France and The Netherlands of their own bonds, as has long been the practice in Italy.

They have also become more homogeneous. That can also be said of the commercial banks where the stark differences between "universal" banks, deposit banks and investment banks, not to mention institutions specializing in medium and long-term credit, are beginning to disappear.

When compared with the large commercial banks, the savings banks remain medium-sized institutions with regional or local coverage, even though, as in Britain, they may manage to form larger units. They are therefore entirely reliant on mutual cooperation, so it is hardly surprising that savings banks associations have long existed in most EEC countries.

The associations are concerned with organizing the business cooperation between the savings banks, particularly in the matter of payments and liquidity, and giving legal advice where necessary.

From that it is only a short step to extending cooperation to Community level, by setting up an EEC association, particularly since for institutions which operate at local or regional level, like the savings banks of the Community, new conditions are being created from the free movement of workers and capital and the harmonization of legislation and taxation to uniform measures to protect the saver.

In 1963 the EEC Savings Banks Group was set up in Brussels, the members being the national savings banks associations. In 1973 it was enlarged to include the national associations of Belgium, Ireland and Denmark. In 1967 the EEC Savings Banks Group adopted the status of an international association under Belgian law and was endowed with its own capital and a staff of more than a dozen experts drawn from six nations.

The activities of the group are decided by a board of administration on which two members from each country sit. They are elected by the 58 delegates to the General Assembly.

The day-to-day work is

done by the secretariat which is divided into departments for business management, information, legal affairs, economic policy and administration and is managed by a secretary general and his deputy who are answerable to the board of administration. The work of the secretariat is centred on nine standing committees whose members consist of experts appointed from the nine member savings bank organizations.

The committees keep members informed on developments within the EEC in the savings banks sector and on studies, proposals and measures adopted by the European institutions. They also represent the interests of savings banks and savers by sending to the commission departments the opinions, memoranda and observations drawn up in the various committees and adopted by the board of administration.

The Community rules which concern the savings banks are based mainly on three legal objectives en-

continued on page IV

Organization of Savings Banks, Landesbanken and Girozentralen in the Federal Republic of Germany

Public Savings Banks

The German savings banks (Sparkassen) are legally and economically independent credit institutions. They are communal savings banks operated under public law. The savings banks' liabilities are guaranteed without limitation by the respective communities (town, country), whereby all deposits held by a savings bank are fully secured. The business of a savings bank is directed by its managing board.

The supervisory body of a savings bank is the board of administration, on which the general public and the local government (a town, a country or several communities) are represented. Their tasks and activities are laid down in the articles, which allow the savings banks to do all usual banking business for their customers. Transactions for their own account are subject to some limitations to secure the deposits, e.g. savings banks are not allowed to acquire securities out of their own funds.

In addition to the communal savings banks there are also a small number of "free savings banks". These are savings banks without a local government as guarantor. Contrary to the communal savings banks the free savings banks are subject to private law (in most cases as associations or trusts).

The savings banks offer all the services of a modern banking institution. Their services are available to every private individual, every business enterprise and every local authority. The following are the most important forms of business transacted: The acceptance of all types of deposits, credit business of all kinds, encouragement of the acquisition of personal property, settlement of cashless payment transactions and all other types of banking services, e.g. transfers to payees in Germany and abroad, collection of debts, bills and receipts, execution of cheque transactions and issue of cheque cards, purchase and sale of foreign currency and travellers' payment media, caring for the needs of customers in the field of foreign trade transactions.

At the end of 1974 there existed in Western Germany 700 savings banks head offices with more than 18,000 branches.

Savings Banks Associations

The savings banks of each federal state are united in regional Savings Banks Associations. The tasks of the regional Savings Banks Associations are among other things to represent the common interests of the savings banks; to offer information and advice to the members of the Associations in all matters of savings banking; to train staff members of the savings banks and to further their professional education; to examine the handling of business and the balance sheets of the member savings banks. At the head of the regional Savings Banks Associations is the Deutsche Sparkassen- und Giroverband in Bonn (German Savings Banks Association). It is the centralized representative of savings banks interests and corresponds to the savings banks associations on the regional level. It is the spokesman of the savings bank system in the public sphere and also to the Federal Government and parliament. Through its board and committees it influences the coordination of the savings banks and Landesbanken/Girozentralen which are also its members.

Landesbanken and Girozentralen

The 12 Landesbanken and Girozentralen in the Federal Republic of Germany are operating under public law, like the savings banks. Their liabilities, i.e. also the deposits maintained with them, are guaranteed by the regional Savings Banks Association, individual Lands of the Federal Republic or big communal associations. The business is directed by a managing board and the general management is supervised by the board of administration.

The Landesbanken and Girozentralen are the central banks of the savings banks. They act as clearing houses for the savings banks' national cashless payments. They hold the liquid reserves of the savings banks within their area of activity and effect the regional balancing of funds among the savings banks. Moreover, the Landesbanken and Girozentralen transact all customary banking business, e.g. granting short, medium and long-term loans to industry, commerce, trade and public authorities; in many cases they provide loans jointly with the local savings banks.

The Landesbanken and Girozentralen are entitled to make issues. They issue mortgage and municipal bonds. In addition to security and stock exchange dealings the services provided by the Landesbanken and Girozentralen include foreign business in all its fields. To an increasing extent the Landesbanken and Girozentralen participate in international money and capital transactions, and, in particular, in the business of international financing.

The Landesbanken and Girozentralen assist the savings banks in their foreign business, for which purpose the maintaining of relations with foreign banks is of particular importance. On the other hand, the extensive network of branches of the German savings banks organization is utilized by foreign banks through the Landesbanken and Girozentralen.

The standard DM travellers' cheques of the German savings banks organization issued by the Landesbanken and Girozentralen and the savings banks show as drawee Deutsche Girozentrale—Deutsche Kommunalkasse, Berlin and Frankfurt am Main.

Building Societies

Along with the savings banks and the Landesbanken and Girozentralen there is a third group constituted by the 13 public building societies. These are institutions specialized in housing finance. Contractual savers with these building societies form their own capital which benefits in Germany from State premiums or tax relief. The building societies grant loans to their customers at favourable rates of interest with which to finance the building or purchase of their own home and land.

Deposits and Basic Capital Resources

The German credit business is sound. In the Federal Republic there is a well-balanced structure of private commercial banks, co-operative banks and credit institutions operating under public law, with special and general functions. The biggest group among the credit institutions operating under the public law is that of the Savings Banks (Sparkassen) and of the Landesbanken and Girozentralen. Every single deposit in these institutions is fully backed by a public guarantee. The guarantor for the savings banks is the respective local administration. The deposits of the Landesbanken and Girozentralen are guaranteed by their owners, who are usually the executive of the respective Lands of the Federal Republic and the respective savings banks.

The sources upon which the savings banks draw to set up their own capital is their net profit, after deduction of tax. The Landesbanken and Girozentralen draw their basic capital resources from the allocation of their profits to reserves and from the allocation of the guarantors, i.e. of the respective State Governments and of the regional Savings Banks Associations in those Lands of the Federal Republic.

While the private banks are able to set up their own capital in different ways (issuing of new shares, participations) the savings banks are prohibited by law from doing so. The basic capital resources of the Landesbanken and Girozentralen and of the savings banks is modest in comparison with that of the private banks.

But this is not detrimental to their business transactions because the guarantee provided by the cities, communities and states have a net worth function which covers the liabilities of the Landesbanken and Girozentralen and savings banks.

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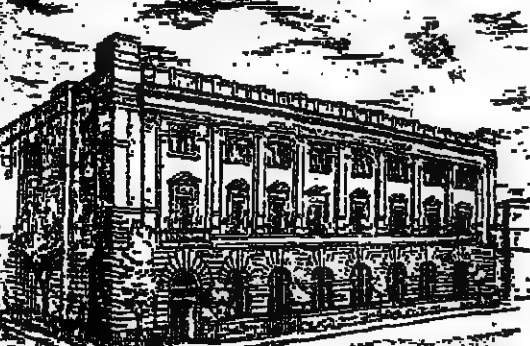
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"INSURANCE SAVINGS" WITH SPECIAL FACILITIES

	No of savings banks	No of branches	No of passbooks (1000)	Deposits (£1000m)
Belgium	3	3,346	9,525	4.9
Germany	710	15,952	58,006	48.1
Denmark	232	1,186	4,655	2.2
France	497	5,365	23,506	15.9
Britain	71	1,491	12,878	1.7
Italy	89	3,167	17,115	16.2
Ireland	5	13	238	0.08
Luxembourg	1	88	275	0.48
The Netherlands	109	1,757	4,140	2.3
EEC	1,717	32,386	130,738	93.76

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Lively and secure development

by John Earle

Italy

The Italian savings banks or *casse di risparmio* form a lively and increasingly important banking sector. Figures from their representative association ACRI (Associazione fra le Casse di Risparmio Italiane) show that deposits have recently been growing more quickly than those of other banks—by 4.35 per cent between the end of December and March 31, compared to 3.22 per cent for the rest of the banking system.

Their deposits totalling 23,314,700m lire (about £15,543m) at the end of March account for more than a quarter of the 83,782,400m lire (£55,855m) held by the banking system as a whole. The 90 savings banks have 3,276 branches out of 11,331 banking branches throughout the country.

Savings banks are able to engage in short, medium and long-term lending, as distinct from the commercial banks which are officially restricted to the short-term sector, while special credit institutes deal with medium and long-term loans. Short-term expositions by savings banks amounted at the end of December to 32.7 per cent of their deposits, compared to 65 per cent for the rest of the banking system.

The savings banks have become highly professional in their activities at home and abroad. Of the 90 in all, 67 have the qualification of *banche agenzie*, able to engage in foreign operations. The *Cassa di Risparmio delle Province Lombarde* was the biggest savings bank anywhere, and the third biggest bank in Italy.

Looking to the future, savings banks have gone into sectors such as automation (with their *Istituto per l'Automazione delle Casse di Risparmio* or IPACRI) and

leasing (with *Centroleasing*, *Federleasing*, and other bodies such as *Società Italiana di Leasing* with joint West German capital participation). CARFID has been set up for entry into mutual funds when Parliament eventually gets round to authorizing the establishment of domestic funds.

Since the war links have evolved between the savings bank network and the political system. It is common to see Christian Democrats in senior positions. One, incidentally, is a woman, Signora Emanuela Savio, a former member of Parliament, who heads the important *Turin casse di risparmio*. A recent book on the Christian Democratic Party power structure (*L'iceberg democristiano*, by Giuseppe Tamburrano) calculated that the chairmen of 75 savings banks were Christian Democrats.

This is not as surprising to an Italian as it might appear to an outsider. Until the parties passed a law in Parliament to finance themselves last year from public funds, they had to rely on various unpublicized sources, for which the banking system formed a valuable channel with its instruments for unobtrusive transactions, such as bearer savings books.

The parties, in particular the Christian Democrats, have always paid close attention to appointments throughout the banking system. The savings banks, however, have not become involved in the same way as some commercial banks in the financial scandals of the past year.

The initial impulse for savings banks in Italy came from the Austrian Government which in the 1820s encouraged their formation in the provinces of Veneto and Lombardy. The oldest were the savings banks of Padua, Rovigo, Castelfranco, Udine, Monfalcone and Venice, established in 1822.

They mostly emanated from *monti di pietà*, or pawn office credit institutions. Piedmont obtained a savings bank at Turin in 1829. By 1870, 70

casse di risparmio existed in northern and central Italy, though none yet in the south. The south still contains some gaps—Sardinia and Naples are both uncovered. The foundation in 1912 of ACRI, the savings bank association, brought greater coordination and gave valuable impetus to the movement, which had by then spread to most of the country. A banking reform in 1936, introduced in the wake of the great depression, subjected savings banks to the regulations governing all credit institutions.

A new specimen statute for savings banks appeared in 1956 by the Government contained a more complete definition of their activities, divided into three distinct spheres: the collection of savings deposits, the granting of credit, and the partial use of net profits for purposes of charity and public welfare.

Even though the activities of savings banks are in practice comparable to those of commercial banks, they are not identical. For commercial banks, deposits provide the means of pursuing their private interests in business and profits, while for savings banks, whose essential purpose is to encourage thrift, they represent a final aim in the public interest.

Savings banks play an important role in granting financing for agriculture, for house building, to employees in public service against guarantee of a fifth of their salary, to local authorities, for public works projects, and to small and medium-sized businesses.

Among complementary organizations are ACRI, which operates a common guarantee fund (it also issues regular publications including an educational children's magazine *Le Vie Migliore* or *The Better Life* distributed to 800,000 copies to schools), and the Credit Institute of Italian Savings Banks which helps to increase business through its role of intermediary and financier.

EEC counts its millions

continued from page 111

bodied in the Treaty of Rome: the achievement of the right of establishment and the freedom to provide services in the banking sector; the abolition of distortions of competition and of the disadvantages suffered by nationals of other member states; and the creation of a European capital market.

These rules concern the savings banks as institutions, not only as regards their authorization, supervision and taxation, but also their individual business dealings, such as consumer credit, the granting of mortgage loans or transactions in securities.

The point to emphasize is that the savings banks see themselves not only as institutions for collecting deposits and granting loans but as institutions which also have the duty of protecting the interests of 130 million small savers.

Special attention is paid by the savings banks to the harmonization of rules governing the beginning and carrying on of the business of credit institutions. The aim is to see that commercial banks, savings banks, credit cooperatives, building societies and mortgage banks can set up anywhere in the Community and do so under similar conditions.

The EEC Savings Banks Group has prepared an exhaustive study of the law governing the savings banks in all member countries. The harmonization of legislation is not expected to turn all the savings banks in the Community into a single standard type. But efforts will be made to achieve a certain degree of harmonization in the provisions governing their business activities so that savings banks throughout the Community will be able to meet the increasing demand for services.

In that respect the harmonization of provisions at EEC level could well be directed towards introducing additional reforms at national level of the kind proposed in the Page report in Britain.



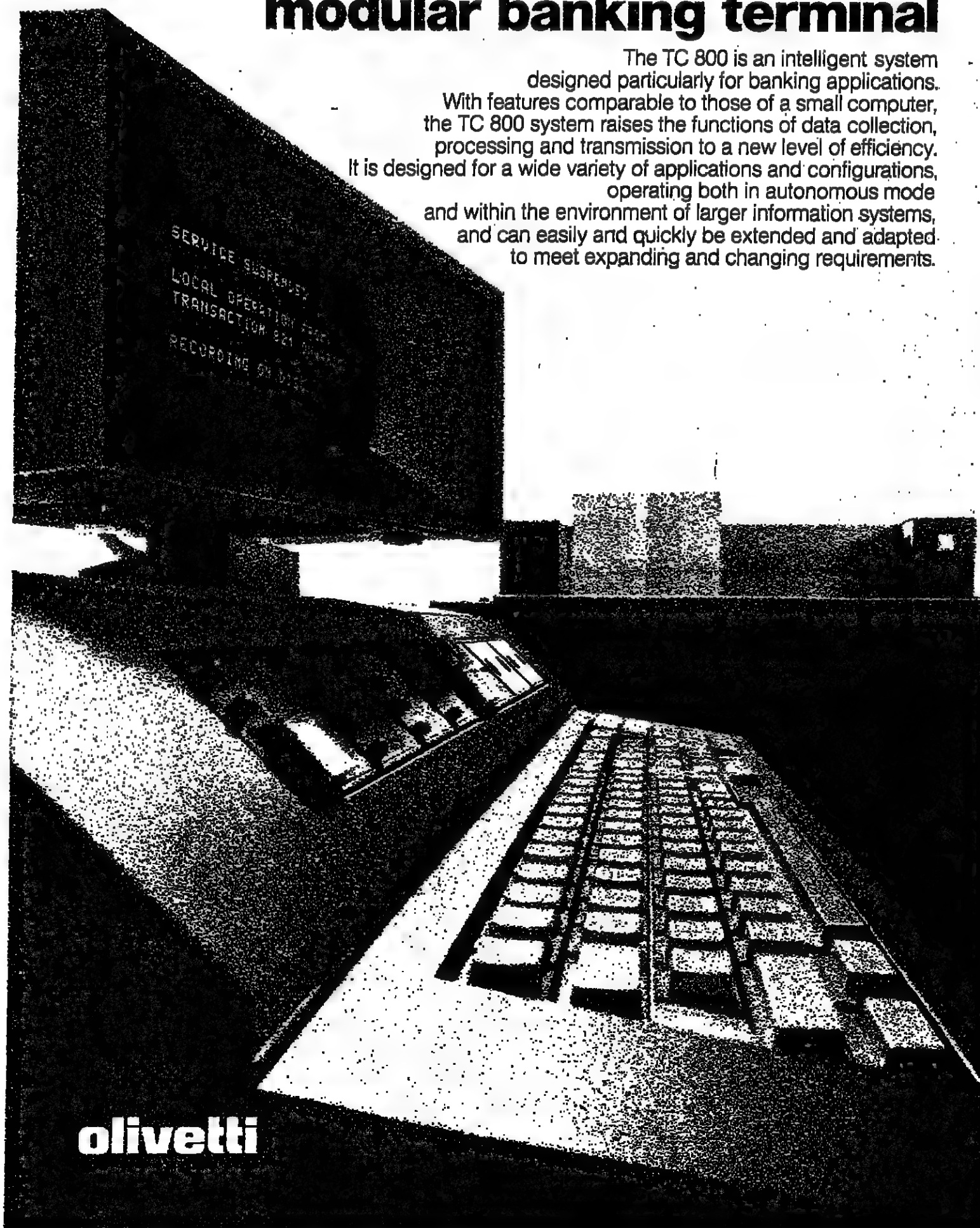
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Control extended to remote areas

by Joan Pearce

Colombia

Provision for the establishment of savings banks in Colombia was first made in 1923. Deposits in 1926 amounted to 2m pesos, and in 1935 to 12m pesos. Despite the limitations imposed on savings banks, in terms of the narrow role assigned to them, restriction of the amount that an individual could deposit, and an unfavourable interest-rate structure, deposits grew steadily, and for 1965 amounted to 1,375m pesos. By this date the number of depositors had reached 3,700,000 or 21 per cent of the population.

After 1965 various reforms were introduced, revising interest rates, removing restrictions on the size of deposits, and allowing tax relief, as a result of which deposits rose to 3,720m pesos by March 1975. Of this sum, 4,120m pesos was held by the *Caja de Crédito Agrario*, 200m pesos by the *Caja Social de Ahorros*, and the remainder by the savings sections of 21 commercial banks.

The role of the *Caja de Crédito Agrario* which was founded in 1931 and now incorporates the *Caja Colombiana de Ahorros*, is that of a development bank. Its full title is the *Caja de Crédito Agrario Industrial y Minero*, and it aims to finance the agricultural, industrial and mining sectors. Recently, however, its activities have been largely concentrated in providing funds for small-scale farmers who would not normally have access to bank credit. In financial terms, service projects and in promoting increased production and productivity.

As a savings institution the *Caja de Crédito Agrario* fulfils an important function: not only does it account for almost half the savings deposited in Colombia, but some 40 per cent of its deposits are obtained in localities with fewer than 50,000 inhabitants. In this respect it has been instrumental in bringing marginal sectors of the economy into the national financial system, and has enabled the monetary authorities to extend their control to remote parts of the country.

Besides bank deposits, savings are channelled in several forms, including notes, securities and bonds, through a variety of financial institutions such as finance corporations, building societies. The building societies have played a particularly important role since 1972, when the Government initiated a concerted effort to expand the construction sector.

To generate the necessary finance, investment in building societies was made more attractive by allowing them to apply a form of monetary correction to their assets and liabilities. The monetary correction operates as a daily adjustment to the nominal value of assets and liabilities, based on the rate of inflation over the previous two years, with an upper limit of 20 per cent. In addition, interest of 5 per cent is paid on deposits, though this, unlike the monetary correction element, is subject to tax.

The so-called units of constant purchasing power (UPAC) do not provide as much protection against inflation as do some forms of monetary correction, partly because of the 20 per cent limit, and partly because the adjustment is related to a past period rather than to the period over which the deposit is made. Since they are short-term deposits, however, this is not crucial. Their chief advantage is that they provide flexible nominal interest rates, which the main alternative financial assets in Colombia do not. For this reason they have become very popular, their amounts outstanding increasing from 188m pesos at the end of 1972 to 4,400m pesos at the end of 1973 and 8,500m pesos in July, 1974.

Loans from these funds carry interest of 6½ per cent and both this and the monetary correction are tax deductible. The application of monetary correction ensures that the real rate of interest on long-term mortgages remains roughly constant. Building societies are likely to meet with the liquidity problems often associated with periods of high inflation.

Colombia's experience of monetary correction in the past three years suggests that the economy would benefit from more widespread use of the system. There is evidently scope for an expansion and freeing of the capital market, as well as the potential savings that have yet to be drawn upon. Studies indicate that the introduction of the UPAC has tended to increase total saving rather than to divert saving away from other institutions, since it has prompted an increase in some other nominal interest rates.

The anomalies of the interest-rate structure were a prime concern of the government that came to power in August, 1974, which sees the revision of financial mechanisms as an important element in its overall economic policy. A series of measures has been introduced aimed at reducing the dispersion of interest rates, and effective rates now range between 15.3 per cent and 26.2 per cent, compared with 7.5 per cent and 28.4 per cent at the beginning of August, 1974.

So far there has been no move to extend the use of monetary correction, but it is unlikely that it will continue to be applied only by building societies, partly because the Government's economic plan presented to Congress in July proposes to divert activity away from the construction sector, which is thought to have reached saturation point. Though this could imply the abandoning of monetary correction, it is to be hoped that it will lead to a broader application of the system.

“In the past fifteen years, they have introduced more new services for their customers than in the whole first century and a half of their existence.”

The Bankers Magazine

“The TSBs, with £3.5 billion of funds, could emerge within the next 10 years as that ever-illusory creature—a people's bank.”

The Economist

“The... result should be to consolidate an already powerful... group of banks with some 10 million depositors and 1,550 branches into an effective new force in the consumer banking scene.”

The Financial Times

“The move towards merging the 72-odd trustee savings banks up and down the country into a much smaller number of strong regional banks is gathering momentum.”

The Times

“Imagine if you can, a bank with deposits of nearly £4,000 million, founded more than 160 years ago, whose funds have more than trebled in the past 20 years...”

Daily Mail

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QUESTION OF SAFE CONDUCT

the conference on the bridge did not collapse the half hour allotted to Ian Smith for a formal session. The two sides for a full day with some intervention from the two, President Kaunda and Minister Vorster. Whether the conference can somehow or get into the next stage, minutes talks which under the agreement are to be in Rhodesia, hangs in the air. It turns on whether it will relax his refusal to face detention in Rhodesia, whether in the end Bishop will risk the break-up of his unit by talking to them, or without some, at his side.

Mr Smith's distaste for talking with Mr Sithole is no doubt great, but the anger of his party if he did would be a political risk of the kind he rarely takes. He may calculate that the Nkomo or Zulu faction in the ANC, which largely represents the Matabele people and other minorities, almost certainly does not want a constitutional order which early majority rule would deliver them to Shona domination. If so, he may think that with Mr Nkomo as the Bishop's main lieutenant he could extract an agreement to a gradualist solution—though his latest pronouncements against African rule hardly suggests that he would agree to anything that the Bishop's followers would accept, or that would not be promptly repudiated by the ANC militants in Zambia and the whole black youth of Rhodesia. President Kaunda, however, may think that with Mr Vorster putting extreme pressure on the Rhodesians (no doubt they discussed it), Mr Nkomo and the Bishop could get from Mr Smith a procedure for majority rule which he could endorse and they both could guarantee. This may be one

reason why he allowed the obvious snag in the Pretoria agreement to remain.

On such manoeuvres the hopes of continuing negotiations depend. But if the ANC withdraws now, it will have admitted that, notwithstanding Mr Smith's intransigence, and Dr Kaunda's pressure, the Zulu faction dictates its policy. The ANC might be wiser to shore up its unity while exploring Mr Smith's position in committee. For, if this is as statist as it sounds (for example, no advance on the Smith-Douglas Home 1971 proposals), the Africans can reject it with much more political effect. It would be plain that moderate men could get nothing out of Mr Smith, Mr Smith would be isolated from Mr Vorster, and President Kaunda would have to back the war party. If the ANC withdraws now, Mr Smith will have it his own way with South African public opinion.

If the ANC goes on, it will have both Mr Vorster and Dr Kaunda as active allies. The President has taken risks in meeting Mr Vorster in defiance of the OAU ban on dialogue. The benefits may be great however. No doubt he discussed Angola, South West Africa, and the Republic's racial policy as well as Rhodesia. For Mr Vorster the meeting is a triumph for his détente policy. There has been face-to-face talking between the major black and white leaders, and whatever now happens to the conference this could influence events for good for a long time.

On the other hand, I know of no reliable evidence that conflicts with the ANC would be a triumph for his détente policy. There has been face-to-face talking between the major black and white leaders, and whatever now happens to the conference this could influence events for good for a long time.

Cigarette smoking and lung cancer

From Professor P. R. J. Burch
Sir, Professor Stoker suggests (August 21, 1975) that cigarette smoking might cause lung cancer by inducing gene mutations. The same process was put forward by Dr J. R. M. in the Lancet of March 24, 1973, and shown by me (Lancet, April 29, 1973) to be inconsistent with a wide range of epidemiological evidence. For example, the theory of induced mutations predicts an earlier average age of onset of lung cancer in smokers than in non-smokers. The late Professor Pacey, and subsequently others, found no significant differences in the average age of onset between smokers and non-smokers.

Dr Fletcher and Ball correctly assert that medical and scientific committees of many countries have been convinced that cigarette smoking is the most important cause of lung cancer—though one, presumably, in non-smokers. A similar confidence and unanimity have previously been manifested regarding the fatness of the earth and the efficacy of leeches and blood-letting.

I cannot but take offence when they accuse me of ignoring evidence that contradicts my conclusions. Neither in my letter to you, nor in the medical press, have they specified the nature of these contradictions. I have carefully considered the widest range of evidence—far wider than that discussed by the 1971 Report of the Royal College of Physicians—and have demonstrated in the Lancet and elsewhere that it conflicts with all recognized versions of the hypothesis that smoking is the main cause of lung cancer.

On the other hand, I know of no reliable evidence that conflicts with the view that cigarette smoking is the most important cause of lung cancer. Dr Fletcher and Ball have had frequent opportunities of disputing my arguments—many of them quantitative—in the medical press, but they have shown a singular lack of appetite for the challenge.

They make their customary charges of irresponsibility and do not refer to my indictment of smoking in connection with chronic bronchitis. Has it ever occurred to them that they and other crusaders for a healthy world are responsible for the feelings of guilt and anxiety experienced by many addicted smokers? Do they not realize that the issues in dispute are ultimately matters of fact that will be unravelled, not by faith and moral exhortation, but by the rigorous application of the methods of science?

Yours faithfully,
PHILIP R. J. BURCH,
Department of Medical Physics,
University of Leeds,
The General Infirmary,
Leeds.

From Professor Herbert Dingle
Sir, In a recent letter (August 21) Dr C. M. Fletcher and Dr K. Ball wrote: "It is important that [your readers] should recognize that [Dr Burch] stands almost alone in believing that cigarette smoking is not the most important cause of lung cancer." I am really unqualified to express an opinion on the causes of lung cancer, and I offer none, but may I plead (with little success, I fear, as experience has taught me) for a return to the once honoured policy that decisions in science should be reached solely on the basis of the relevant available evidence and not by voting, and suggest that such a return would be far more important than that your readers should know the result of the poll on this or any other such question?

Yours faithfully,
HERBERT DINGLE,
Professor Emeritus of History
and Philosophy of Science,
University of London,
104 Downs Court Road,
Parley, Surrey.

A government newspaper
From Mr Thomas Dalby
Sir, At least one taxpayer grumbled upon reading Lord Bruce of Donington's suggestion (August 23) that a British Press Corporation should be established. "Spend your way out of inflation" seems to be a commendable scheme nowadays, and the disturbing fact about this particular idea is that Lord Bruce does not add the proviso that a market research survey should first be conducted to discover whether people want a new newspaper in sufficient quantities to make it viable.

Lord Bruce complains that there is no possibility open to a Labour Government for an unbiased presentation of its thinking. Perhaps you, Sir, could add to the column inches in The Times given (a) to Labour and trade union affairs and personalities, and (b) to other political parties and, especially, industrial management views over, say, the past three months, your general editorial.

It may be found that industrial management, presumably responsible for exports within our free enterprise system, is, on the whole, quietly tucked away in your Business News pages whilst more exciting news from the unions makes the headlines on the main editorial page. My own paper, carrying out similar studies, they would at least provide the basis for more informed discussion before we are burdened with a British Press Corporation, a very expensive Director-General and a staff of thousands.

Yours faithfully,
THOMAS DALBY,
5 Andover Grange,
South Holmwood,
Dorking, Surrey.

Commons crockery
From Mr David Northcroft
Sir, What justification can there be for the House of Commons catering sub-committee to be spending £12,000 on crockery at this time, let alone on the crockery?

Yours faithfully,
DAVID NORTHCROFT,
Bentley Farmhouse,
Stitchinghouse,
Kent.

LETTERS TO THE EDITOR

Anomaly in index-linked pensions

From Sir Alastair Pilkington, FRS
Sir, In your letter columns last year (April 2, 1974) I drew attention to the potential inequity between public and private sector pensions. I write again now as the potential inequity has become actual. It is time that the fundamental problem of the increasing uncertainty between two sectors of our society was squarely faced.

Pensioners in the public sector with indexed pensions have received increases reflecting the rate of inflation which is now running at about 25 per cent. But, from the information I have been able to collect, it would appear that the private sector, with few exceptions, has been unable to match the public sector and that most private sector companies have been unable to increase pensions by more than 5 per cent. It would, indeed, have been impossible for them to do much more without endangering their own future and that of their pension schemes.

This means that a pensioner leaving the public sector a year ago with a pension of, say, £2,500, might now be receiving £3,125, while the private sector pensioner who left at the same time with the same amount might be getting £2,625. The differential will, of course, be increased or decreased by changes in the rate of inflation. The present pattern, however, needs to continue for only four years for the

thresholds over the years and the proliferation of separately measured benefits, each year hundreds of millions of pounds is being collected in taxation and then returned—often to the same family—in the form of selective benefits. The cost in terms of administration runs into many millions of pounds. In terms of demoralization for the families concerned, and of reduced productivity due to reduced incentive it is immeasurable.

After tax, increased National Insurance contribution and loss of pension rights, most families who stick within the £5 norm will be lucky if they see half of it. Many will quickly find themselves with less net weekly spending power than before—and that before taking into account the ravages of inflation. Once these facts are appreciated by the individuals concerned support for the policy—now widespread—will wither away.

This will not be due to blood-mindfulness nor to "reds under the bed". Naturally it is a state of affairs which must be put right. The militant left, for whom genuine grievance is the lifeblood of survival, and who will not hesitate to capitalize on the greater opportunities for trouble-making thus provided. But essentially it will be the natural reaction of frustrated working people, who find themselves caught in a trap not of their own making, from which there is no escape within the law.

How many of your readers, I wonder, would be happy to accept a situation where £10 of extra earnings left them with 50p less spending power? Yet this is the situation for families with four children working in this country today whose weekly earnings are increased from £30 to £40. These are official figures based on rent at £5.00 and rates at £2.00.

Mr Wilson's policy is a cruel deception from start to finish.

Yours faithfully,
P. H. PARKER,
Nettlefield, Firsbridge,
Woking, Surrey.

Effect of £6 increase on the lower paid

From Mr P. H. Parker
Sir, For his television appearance last Wednesday the Prime Minister told us that his "magic wand" of inflation, he told us, will be reduced to 10 per cent in little more than a year provided we all stick to his £6 norm.

Of course it is not credible. Never has inflation been cured by wage or price controls alone. The strategy as it stands is incomplete. But it is also tactically feeble, because it relies crucially on support from the public—not all of whom can be fooled all of the time.

First the strategy. It is one of suppressed inflation, not counter-inflation. The rate of price increases may well abate for just so long as the controls remain in force. But unless immediate action is taken to reduce government expenditure and taxation and to transfer resources from the public sector to industry and commerce, inflationary pressures will reassert themselves as soon as the controls are lifted.

Mr Wilson's problems of "re-entry" would not exist if price and wage controls exercised any real impact upon inflation. So long as there is a borrowing requirement of over £10,000—more than 10 per cent of gross domestic product—and so long as public expenditure continues to increase at its present rate—56 per cent higher in July, 1975, than July, 1974—there is not the remotest possibility of controlling inflation.

Secondly the tactics. Mr Wilson called for support on the basis that justice will be done. But the £6 norm is grossly unjust to all families with less than average earnings. The facts of this situation have been disclosed in parliamentary answers by the Department of Health and Social Security, and were reported in these columns on August 19 by the Member of Parliament for North Norfolk, Mr Ralph Howell. These are facts which the Establishment prefers to disregard and of which the public is largely unaware.

As a result of the lowering of tax

When he was forced to become a soldier he became a very good one. He was a hero, but he was never the victim of dreams of violence or illusions of grandeur. Those who knew him will never cease to mourn the loss of this brilliant, brave and good man.

Yours faithfully,
IRIS MURDOCH,
Steeple Aston,
Oxford.

Research for MPs

From Professor Alan Thompson
Sir, Professor Rivett (letter, August 23) suggests that MPs should make more use of university research facilities in their investigative duties. This is an excellent idea which should be followed up as soon as possible, perhaps through the medium of the Hansard Society.

At present government departments draw upon university research in a very fruitful manner, and parliamentary select committees also enable back-bench MPs to question university experts. In recent years the calibre of select committees has increased enormously, and the publications of these committees deserve a much wider readership. A number of these committees (particularly in science and technology) have made valuable recommendations about the purpose and direction of applied research.

There is, nevertheless, need for a more systematic liaison between MPs and researchers, perhaps starting with an exchange of information on the needs of MPs and a register of potentially relevant research.

As a long-term objective, I would like to see a Select Committee unit of the Civil Service similar to the backup which the Comptroller-in-Chief's General Services, consisting of an under-secretary and staff responsible for select committee work. Such a unit would be well placed for liaison with universities and other institutions.

Yours faithfully,
ALAN THOMPSON,
A. J. Balfour Chair of Economics
of Government, University of
Warwick, Coventry,
Department of Economics,
31-35 Gressmarket,
Edinburgh,
August 25.

Frank Thompson

From Miss Iris Murdoch
Sir, Your review of Stowers Johnson's book about Frank Thompson presents a picture of a grim and fearful struggle, trying to be the League of Bulgaria. The book is of course not a biography and the reviewer may be forgiven for having gained this impression of the man.

Those of us who knew and loved Frank at Oxford have different memories. He was a poet, a different kind of exceptional charm and sweetness, always full of jokes and fun, a lover of art and of nature, a scholar, a man of the highest principles, delicate, scrupulous and tender.

Public investment in marine research

From Rear Admiral Sir Edmund Irving
Sir, On several occasions during the past two years, I have stressed the need in your columns for greater public investment in marine research generally and for substantially enhanced resources for the Navy's hydrographic service in particular. Considerable support has been expressed for this view in subsequent letters to you, Sir, from members of Parliament, from scientists, from ex-Governors and High Commissioners of our overseas territories and from the presidents or directors of such august bodies as the Nautical Institute, the Royal Institution of Navigation, the Royal Institution of Chartered Surveyors and the Royal Geographical Society.

I have now read the official report of the Hydrographic Study Group, set up by the Government last summer to inquire into the shortfall of resources to which the Hydrographic Service of the Navy has repeatedly drawn attention in its annual reports.

The study group has presented a first class and comprehensive report which fully confirms the urgency of the need for an enhanced hydrographic effort both at home and in our traditional areas of employment abroad.

Among the 14 recommendations, several of which fundamentally affect the future of the hydrographic service, are those advocating a substantial expansion in the survey fleet and the office at Taunton which "should be augmented to enable the standard of the Admiralty Chart series to be improved."

We are constantly being reminded that the country is in serious financial straits, yet we continue to squander astronomical sums on dubious "amenities" or extravagant projects which never reach fruition. I suggest, Sir, that our economic position will hardly be improved until we look to more profitable means of spending our dwindling wealth and start investing a relatively small proportion in areas from which the nation can look for a more tangible return.

The investment is a mere £7m, for the next seven years; such an area is the sea, upon which our prosperity depends and will continue to depend—a point on which the study group says just emphatically. Though the report is apparently not to be given any publicity, I submit that this is a matter of such major importance that the Government must be stimulated into taking positive and immediate action to implement all its recommendations.

I remain, Sir, Yours faithfully,
E. G. IRVING,
Camer Green,
Meopham, Kent,
August 24.

Community Land Bill

From Mr John Waite
Sir, Mr Ewart Parkinson's letter, which appeared in your issue of August 16, expressed his faith in the Community Land Bill, and as President of the Royal Towns Planning Institute, his views may carry weight. However, having had the pleasure of working in local government with many of its members, I wonder if his views are representative of the institute as a whole.

It is not for me to question Mr Parkinson's sincerity, but I am sure that what the Bill might achieve, in claiming that the local community will decide when an area of land will be developed or redeveloped by bringing it on to the market, he is saying something which is, obviously, a true. A local authority may offer land for development, but market forces will decide whether the offer is accepted. If the offer is refused there will not be any financial or other benefit to the community, but the costs of administration and servicing the land still have to be borne by the community.

Mr Parkinson's belief that the Bill's proposals are rooted in local democracy and represent a decentralization of power seems impossible of acceptance. One would have to be incredibly naive to think that the real power to allocate funds for land purchase and to approve land acquisition would not remain in Whitehall. The reserve powers for the Secretary of State in Clause 50 of the Bill make it clear that there is a formidable One may also ask how the provisions of Clause 43 (which requires local authorities to obtain the consent of the Secretary of State before disposing of any land whether acquired under the Bill or otherwise) may be regarded as rooted in local democracy and representing a decentralization of power.

Yours faithfully,
JOHN WAITE,
Chairman's Room,
County Hall,
Maidstone,
August 22.

No play at Headingley

From Mr Dennis A. Brunning
Sir, I am amazed that apparently there are Englishmen who equate cricket with mere entertainment and can write of it in such terms as—"The show must go on." Sir, cricket is not a circus, neither is it a matter of just juggling a ball about a field.

The game and its results depends not only on the skill of the batsmen, the art of the bowlers and the sure-handedness of the fieldsmen but also on the nuances of a particular wicket and on the vagaries of a particular day's weather.

It is quite unthinkable that a match so finely poised as was the Headingley Test, should be continued on another wicket, much less another ground.

So far as the vandals are concerned my immediate thought was that they should be boiled in the oil they had so unwisely provided. Yours, etc.,
DENNIS A. BRUNNING,
270 Albert Drive,
Shearnwater,
Woking,
Surrey,
August 21.

IMACY OF THE CHILD'S WELFARE

Children Bill which will govern the law governing the law, custody and care of children has had a long and turbulent parliamentary life. It was introduced as a private Bill by Dr David Owen in a second reading by omnibus before February, then reintroduced in a led form at the end of last a Government Bill by Dr Owen the Minister of Health and Security. It has already passed by the Lords and is led to complete the remaining stages in the Commons after summer recess.

Bill's principal purpose is to implement the recommendations of the Houghton committee option which reported in 1972. This committee said that "the law should be that there are a number of interests to be considered in the interests of the child among them". In this the law closely followed the report. Clause 2 states that court or an adoption (under the Bill, a local authority social services department or a recognized adoption agency) "shall have regard to circumstances first consideration being given to the safeguard and promote the welfare of the child; and as far as practicable ascertain the wishes and feelings of the child".

Dr Owen first introduced the Bill, it received almost

universal support as an overdue and comprehensive reform of the law concerning adoption and related matters, along impeccably liberal lines. However, in the long period of gestation doubts about the balance between parental rights and the welfare of the child struck in the Bill have grown. On the one hand public concern aroused by notorious cases of severe child neglect has encouraged some critics to demand that this balance be tilted still further against natural parents. A recent Justice report on parental rights and duties expressed this point of view with clarity and vigour:

"The biological parents, or either of them, should, have custody of their children when the child's welfare is so best served; in all cases, however, the child's welfare must remain the first and paramount consideration." On the other hand it is argued that the Bill diminishes too much the rights of parents and that in practice its provisions could be used to discriminate against low-income families. Many experienced social workers take this view. They argue that instead of making it easier to remove children from their natural parents more should be done to enable such fragile families to survive.

This criticism of the Bill is almost certainly too harsh. There has been a considerable effort to enable families at risk to survive, through social services departments and social security payments. If the welfare of the

child is to become the primary consideration in these cases some reduction in the rights of natural parents is inevitable. Of course a court should not equate the welfare of the child with its material well-being but instead recognize that often a child may be happier in less affluent but more familiar surroundings. Here the social work profession, with its longstanding commitment to the preservation of families wherever possible, will have an important influence on the operation of the Bill because the courts will rely heavily on their experience.

However the Bill should also be defended against the opposite criticism: that by making the welfare of the child the primary rather than the paramount consideration it is too weak to prevent tragedies like the deaths of Maria Colwell and Steven Mearns. Comprehensive legislation of this nature should not be distorted to satisfy the public outcry raised by such terrible, but fortunately rare, cases. The Bill strikes a fair compromise between the views of those who believe that it has gone too far and of those who believe that it has not gone far enough. The balance of the Bill corresponds closely to the balance of public opinion which continues to accord the natural family a very special status but recognizes that in a minority of cases the best interests of the child are served by his permanent withdrawal from his family.

A government newspaper

From Mr Thomas Dalby
Sir, At least one taxpayer grumbled upon reading Lord Bruce of Donington's suggestion (August 23) that a British Press Corporation should be established. "Spend your way out of inflation" seems to be a commendable scheme nowadays, and the disturbing fact about this particular idea is that Lord Bruce does not add the proviso that a market research survey should first be conducted to discover whether people want a new newspaper in sufficient quantities to make it viable.

Lord Bruce complains that there is no possibility open to a Labour Government for an unbiased presentation of its thinking. Perhaps you, Sir, could add to the column inches in The Times given (a) to Labour and trade union affairs and personalities, and (b) to other political parties and, especially, industrial management views over, say, the past three months, your general editorial.

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Yours faithfully,
THOMAS DALBY,
5 Andover Grange,
South Holmwood,
Dorking, Surrey.

Commons crockery

From Mr David Northcroft
Sir, What justification can there be for the House of Commons catering sub-committee to be spending £12,000 on crockery at this time, let alone on the crockery?

Yours faithfully,
DAVID NORTHCROFT,
Bentley Farmhouse,
Stitchinghouse,
Kent.

WELSH AND THEIR WATER

for political optimism Mr Dafydd Wigley, MP for Carmarthen, who wrote to the House of Commons asking for the House to ask for its recess to the charges the Welsh Water Development Authority makes to its customers. An important question and which gives rise to much interest in Wales. But as MPs are to their West, it is not the sort of question to cause them to in their fact-finding mission among the Welsh lakes and islands in August, Nor

charges that entails. Reorganization into the new river-basin-based authorities gave a further lift to charges by bringing to an end rate fund contributions to the cost of water supply, which were common in Wales.

The Daniel committee concludes that the 1973 Act has produced an excessive difference in average charges for water between the Welsh authority and other authorities, and that early action should be taken to reduce it. One way of achieving that result, and one which has a certain nationalist appeal, is to regard rain which falls and collects in Wales as a national export resource and to charge Birmingham and other importers a surcharge sufficient to even things out. The committee does not endorse that approach—not least because Birmingham and others have paid or are paying the full cost of installations in Wales from which they get supplies: these have been taken from them without compensation, and they would not take kindly to the idea of now paying a levy as well. The committee looks more kindly however on a diluted version of the same idea. Water authorities are permitted to charge for transfers of water from one area to another. Official advice at present is that the charge should be set at cost price. The committee suggests, with Wales in mind but for

general application, that the price should be one that is agreed "through the normal processes of commercial negotiation", that is more than cost price.

Even that moderate form of the idea would introduce an unnecessary complication into the financing of water supply. Increasingly, water supplies are taken not direct from reservoirs but from regulated river flows. Does the water in the Severn cease to be Welsh ten miles downstream from Welshpool, or does it remain Welsh while becoming progressively adulterated by English tributaries? Any formula for pricing abstractions higher than the cost of the work would be vulnerable to artificial. Also, while the flow of the rivers are one way, the flow of the natural benefits they bring to the English counties would seem to have as much reason to charge the Welsh for drainage, for without it the Welsh would be flooded or put to the expense of digging drains through their mountains to the sea.

If greater equalization of water charges between parts of the kingdom is considered desirable (and the more consistent devolutionists would be bound to question that) let it be done openly and accountably by public subsidy.

Cabinet

From Mr David Northcroft
Sir, What justification can there be for the House of Commons catering sub-committee to be spending £12,000 on crockery at this time, let alone on the crockery?

Yours faithfully,
DAVID NORTHCROFT,
Bentley Farmhouse,
Stitchinghouse,
Kent.

effective administration and constant communication with the community.

It is right that political leaders should be elected by their colleagues in other quarters, but they should be elected by their respective parties and elected by the people. But that should imply that they have confidence in them to choose those best fitted to be ministers: that is an essential quality of leadership. Nor does it rule out consultation in the

process which no sensible leader would reject.

For a political leader, especially when Prime Minister, to be foisted with a team of colleagues is both an insult to his or her ability and a negation of the principle of leadership. No government produced by such a process could hope to govern or to survive for long.

Yours faithfully,
IAN HARVEY,
28A Star Street, W2.

THE TIMES

BUSINESS NEWS

Lovell

for CONSTRUCTION

Car makers see ports taking a third of next year's 1m sales

Mr. Townsend, a spokesman for the industry, has abandoned hope of an upturn in car sales next year, predicting a total marketing of only 1,250,000.

A considerable downturn in car sales has been predicted by the Society of Motor Manufacturers and Traders, which had been talking of a slight increase in sales next year.

Mr. Townsend said that car sales this year are expected to reach about 1,400,000, but that this will fall by 1976 with no signs of a recovery until 1977. He said that the industry has been hit by a combination of factors, including a decline in the number of cars imported from abroad, a fall in the number of cars sold in the home market, and a decline in the number of cars sold in the export market.

Mr. Townsend said that the industry is now looking for a recovery in car sales in 1977, but that this will depend on a number of factors, including a recovery in the economy, a recovery in the number of cars imported from abroad, a recovery in the number of cars sold in the home market, and a recovery in the number of cars sold in the export market.



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Judge rules against Crest's plea on panel

By Margaret Walters

An attempt to draw remaining teeth the Takeover Panel may have in resolving the Ashbourne investment saga, failed in the High Court yesterday when the judge ruled against Crest's plea for an injunction against the Panel.

The judge, Mr. Justice Oliver, said that the Panel had acted reasonably in its decision to refuse Crest's offer to buy the company, and that Crest's plea for an injunction was unfounded.

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Oil imports surge cuts US monthly trade surplus to \$977m—fourth highest on record

From Frank Vogel, Washington, Aug 26

The United States had its sixth consecutive monthly trade surplus in July, at \$977m (about £444.1m). While this is the fourth highest monthly surplus ever recorded, it was well below the June surplus of \$1,373.3m, largely as a result of a rise in oil imports.

According to the Department of Commerce, the country's trade surplus in the first seven months of 1975 totalled \$6,409.7m, compared with a deficit in the 1974 period of \$837.5m.

Administration economists expect a substantial trade surplus for the year as a whole, but give warning that the trade position would deteriorate in the coming months.

Oil imports are likely to continue mounting because of the economic upswing and the lifting of the oil import tariff, the experts say. However, it will be some time before oil price decontrol starts to produce an upswing in domestic oil output and lower oil imports.

Meanwhile, recessions abroad are seen as possibly limiting United States export sales, while the recovery here could see increased imports of consumer goods in particular.

The strong trade surplus, coupled with rising interest rates, could well lead to a continuation of the upward trend of the dollar in international currency markets.

Mr. William Simon, the Treasury Secretary, believes the dollar has reached a more realistic level compared with the rate of a few months ago. Foreign exchange dealers are worried, however, about the recent upswing in inflation rates and maintain that the move back to double-digit inflation could again weaken the currency.

Mr. Simon believes the substantial slack in the economy will moderate price rises later in the year and is still hopeful of keeping inflation below the double-digit level.

Today's figures show that increased oil imports accounted for about 70 per cent of the rise in overall imports last month. July imports totalled \$7,907.5m against \$6,954.2m in June.

Imports in the first seven months at an annual rate, were 6 per cent below the comparative 1974 level, at \$93,939m. July exports reached their highest level in 6 months at \$8,846m, against \$8,691.5m in June. So far this year exports have risen at an annual rate of \$104,927m, which is 7 per cent above 1974.

The unadjusted dollar value of all oil imports last month was \$2,047.3m or \$707.7m above the June level.

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BA chairman rules out bribery in TriStar deal

By Arthur Reed, Air Correspondent

Sir David Nicholson, chairman of British Airways, in a statement issued in London yesterday, rejected categorically suggestions that his airline had taken bribes to buy the Lockheed TriStar aircraft from the United States.

The suggestion emerged in Washington on Monday when a congressional committee investigated the payment by Lockheed of around £10.5m in the past four-and-a-half years to secure foreign business.

Sir David said yesterday: "I deeply regret the suggestion that British Airways were offered, let alone accepted, bribes by the Lockheed Aircraft Company, and categorically reject it."

"I have absolute confidence that no individual in British Airways has been involved in such impropriety."

British Airways have ordered 18 TriStars, coming up to £10m each. The first were delivered last year.

In his statement yesterday, Sir David said: "We have not yet been able to see a full transcript of the Senate hearing, but first reports imply that the completely wrong assumption has been drawn from a blanket refusal by Mr. Dan Haughton, Lockheed's chairman, to answer questions related to a number of foreign countries, including Britain."

"I and my colleagues who were closely involved in the negotiations over the British Airways TriStar order can testify to the scrupulous propriety with which they were conducted. It is hardly necessary to point out that matters of this kind are the subject of detailed prolonged debate by the board, and the decision is not made by just one or two people."

Four years ago Congress passed a Bill to guarantee loans of up to \$250m (about £120m) to Lockheed to ensure its survival after Rolls-Royce, makers of RB211 engines for the TriStar, had gone bankrupt. The Senate hearing is investigating whether these guarantees helped in bribing foreign officials.

Shares climb higher in strong market

Equities continued to advance on the London stock market yesterday, although early gains were sharply reduced in late dealings. Investment institutions, anxious not to miss the recovery in share prices, found the market again very short of stock and prices rose sharply. The FT index touched 325.9 at 3.30 pm but fell back sharply when Wall Street faltered, to close at 319.6, a net gain of 3.4. Turnover was quite good, although institutional interest died away in the afternoon.

Oil shares were particularly strong in response to the improved chances of settlement in the Middle East.

Financial Editor, page 14

ster backs ter to beat p' system

ment backing has been the new voluntary in and dismantling Register, set up last year to eliminate the use of labour in the industry. Mr. Freeson, Minister of Industry and Construction, said that government contracts worth £1,000 should be awarded to registered firms. He said that the department of the register had yesterday advised the firms to follow the register's lead.

Mr. Freeson said that the department's circular to allow companies on the register to join the register, and to allow companies on the register to join the register, and to allow companies on the register to join the register.

Tokyo unprepared for bankruptcy of Kohjin

Tokyo, Aug 26.—Japan's business community was stunned today by the failure of Kohjin Company, a diversified pulp, textile and real estate concern. The failure of Kohjin, which announced late yesterday that it plans on Friday to apply for court protection from creditors under the terms of Japan's corporate rehabilitation law, will become the country's biggest post-war bankruptcy.

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Accountants criticize capital transfer tax

The Consultative Committee of Accountancy Bodies yesterday published its comments on capital transfer tax as contained in a recent submission to the chairman of the board of the Inland Revenue.

The committee's report, which was published yesterday, criticized the tax as being too complex and too costly to administer. It also criticized the tax as being too high and too unfair.

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Bonn breaks self-imposed ban on borrowing abroad

From Peter Norman, Bonn, Aug 26

The West German Federal Government has been placing short term promissory notes abroad in a further bid to meet a borrowing requirement now estimated at DM35,000m (£27,000m) for this year.

A finance ministry spokesman confirmed that the government had quietly lifted its self-imposed ban on such transactions, and over the next three or four years had placed around DM1,500m worth of Federal promissory notes of between two years and four years life with investors abroad.

The last time the Federal government took such action was at the end of September last year when news of the sales caused a minor international furor.

As a result Bonn said it would adhere to a "gentleman's agreement" and not sell government paper of less than four years' life to non-residents.

Since last September, however, the monetary situation has changed. German interest rates have fallen sharply.

The finance ministry added that from tomorrow, non-residents will be paid interest on West German bank accounts, thus reversing a foreign exchange control introduced at the time of hot money inflows in May, 1971.

Wales bangs the drum for US investment

From Trevor Fishlock, New York, Aug 26

Wales is making its most ambitious effort to win export orders in the United States and more American investment.

Businessmen, industrialists, the Development Corporation for Wales and the Welsh Office today began to bang the drum for the country.

Wales Week in New York, organized by the Development Corporation, a Welsh crafts fair opens at the Hilton tomorrow and a trade mission sets off a two-week selling expedition.

Meanwhile, Mr. John Morris, Secretary of State for Wales, is arriving to add his weight to the sales and investment drive. He speaks to 1,000 businessmen at a lunch in New York tomorrow and follows up with similar meetings in Boston, Minneapolis and Chicago.

Accompanying him will be Mr. Hugh Thomas, the British Steel Corporation's regional policy coordinator for Wales, who is part of the team working to bring new industries to Ebbw Vale and Shotton where steel works are being reduced.

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London Electrical and General Trust Limited			
Year ended 30th June 1975			
	1975	1974	
ROSS REVENUE	897,765	749,401	
Less Expenses	49,465	48,251	
Interest	212,643	187,709	
ET REVENUE BEFORE TAXATION	635,657	513,441	
Less Taxation	259,687	189,255	
Preference Dividend	13,230	13,230	
ET REVENUE AVAILABLE FOR ORDINARY SHAREHOLDERS	362,740	313,956	
ARNINGS PER SHARE	1.58p	2.49p	
ORDINARY SHARE (VIDEND) (including tax credits)	3.42p	3.65p	
NET ASSETS (£'000)	13,493	11,404	
As Assets represented by:			
Bank Advances	1,548	1,340	
Preference Stocks	950	950	
RDINARY SHAREHOLDERS' INTEREST	10,835	8,714	
ET ASSET VALUE PER SHARE	13.49p	11.40p	
After deducting prior charges at nominal value	86p	69p	
After deducting prior charges at market value	92p	75p	
Including an amount in respect of the 1% of the dollar premium, subject to tender	3.4p	2p	

How the markets moved			
Rises			
Aden N & Ross	10p to 330p	Johnson Matt	10p to 255p
Barclays Bk	5p to 270p	Nairn & W'son	19p to 84p
BP	8p to 52p	Royce Grp	3p to 20p
Broken Hill	10p to 67p	Slater Walker	8p to 65p
Cochran, R.	10p to 182p	Taylor Woodrow	11p to 272p
Hawker Sidd	12p to 262p	Titagar Jute	1p to 10p
Imp Chem Ind	3p to 264p	Wimpey, G.	10p to 114p
Falls			
Anglo Am Corp	5p to 435p	Int Edgcs	5p to 635p
Bates E. Hldgs	2p to 40p	Minorco	4p to 262p
Botswana Rst	3p to 70p	Middle Wits	5p to 495p
Crane Fruehauf	1p to 14p	Plessey	1p to 75p
Cons Gold Fields	3p to 263p	Seafrost	5p to 365p
GECC	2p to 125p	Wellcom	10p to 370p
Investment Co	2p to 17p	Western Areas	10p to 510p
Equities advanced sharply but fell back in late deals.			
Gilt-edged securities were quiet.			
Sterling rose by 38 points to \$2.1085. The "effective devaluation" was 27.7 per cent.			
Gold was unchanged on the day at \$161.875 an oz.			
On other pages			
Business appointments	15	Diary	14
Appointments vacant	9, 19	Wall Street	16
Financial Editor	14	Market reports	15, 16
Financial news	15, 16	Share prices	16
Letters	15	Bank Base Rates Table	16

The FT index : 319.6 + 3.8
 The Times index : 131.69 + 2.17

THE POUND

	Bank notes	Bank pells
Australia S	1.70	1.65
Austria Sch	39.50	37.50
Belgium Fr	65.00	62.35
Canada S	2.215	2.165
Denmark Kr	12.90	12.50
Finland Mk	6.15	7.90
France Fr	65.00	62.35
Germany DM	5.55	5.35
Greece Dr	69.75	67.50
Hongkong S	10.85	10.45
Italy Lr	1515.00	1465.00
Japan Ys	650.00	625.00
Netherlands Gld	5.70	5.50
Norway Kr	11.85	11.50
Portugal Esc	58.50	54.50
S Africa Rd	1.79	1.71
Spain Pes	125.25	120.25
Sweden Kr	9.40	9.10
Switzerland Fr	2.145	2.095
US \$	2.145	2.095
Yugoslavia Dnr	40.25	38.25

Rates for small denomination bank notes only, as supplied recently by Bank of England.
 Bank International Ltd. Discount rates apply to travellers' cheques and other foreign currency business.

Company Meeting Reports :
 London Electrical and General 13
 Trust

Interest Statements :
 Leonard Fairclough 14
 The Weir Group 15

Early gains cut back in final hour



Further gains

rhp British
precision
bearings
in inch and metric sizes

THE TIMES SHARE INDICES

The Times Share Indices for 25.05.75 (Friday)
date June 2, 1964 original base date June 2
1960=100

	Index	Div. 1964	Earn- ings	Index
	1964	Yield	No.	1964
" "				
The Times Industrial Share Index	124.96	7.39	14.26	131.69
" " " " " " " "	133.96	8.42	15.80	138.25
" " " " " " " "	130.47	8.45	16.13	128.25
" " " " " " " "	131.42	8.45	16.13	128.25
" " " " " " " "	128.34	8.42	15.80	131.69
" " " " " " " "	129.25	7.78	7.79	129.77
" "				
Largest (financial)	172.41	9.77		168.58
Largest (financial)				
" " " " " " " "	140.9	9.72		139.27
" " " " " " " "				
Commodity shares	229.12	4.41	12.73	234.97
" "				
Gold Mining shares	365.31	5.35	3.35	607.97
" "				
Industrial preference shares	74.46	7.88*		78.48
Industrial preference shares	74.19	14.39*		51.62
Pr's War Loan	29 1/4	14.08*		28 1/4

* a record of The Times Industrial Share Indices is given below

	High	Low
1910-11	115.00, 92.21	69.91, 112.74
1912	120.16, 92.21	70.00, 112.74
1924	124.18, 118.00	90.18, 112.74
1927	126.83, 118.00	90.18, 112.74
1932	108.47, 118.00	72.48, 108.01
1937	114.71, 118.00	72.48, 108.01
1947	145.78, 114.00	122.62, 140.00
1950		126.00, 90.71

* First Industrial Share

Leisure and Educational Courses

[illegible]

